FINANCIALTIME

Protests bring down Montenegro authorities

No.30,741

World News

Din Halle

State and Communist Party leaders in Yugoslavia's leaders in Yugoslavia's southern republic of Montene-gro resigned as 50,000 people demonstrated outside government buildings. Page 2

Jets bomb Lebanon Israeli jets raided positions of the radical Palestinian Fatah Revolutionary Council, led by Abu Nidal, near the southern Lebanese port of Sidon.

'ETA leader' held French police arrested the mili-tary leader of the Spanish Basque separatist group ETA, French government sources

Moscow peace bid Communist Party leaders from the rival Soviet republics of Armenia and Azerbaijan, torn by a year of racial violence and nationalist demonstra-tions, were summoned to the Kremlin in a bid to settle their

Soviet census

Questions regarding the Soviet ethnic balance, population mobility and living conditions will be probed over the next four days in the most compre-bensive census to be launched since the 1920s. Page 2

Talks breakthrough Nato countries reportedly achieved a breakthrough in the deadlock between Greece and Turkey that threatened to hold up new East-West conventional arms reduction talks.

Earlier story, Page 2

Hanoi peace moves Diplomatic momentum toward peace in Kampuchea increased as former Kamptichean monarch, Prince Norodom Sihanouk, dropped-two important objections to a settlement and Thailand and Vistnam ended

Mossad loses rufing Israeli High Court ruled against the country's military censor and Mossad, its external intelligence service, in a land-mark decision which will expand press reporting of national security. Page 4

Drowning in Punjab About 90 people drowned on their way to a funeral when their boat broke up in a river in Pakistan's Punjab province.

Soviet AIDS tests

Foreigners visiting the Soviet Union for more than three months will have to undergo an AIDS test unless they can produce a certificate proving they are free of the disease

Kabul food rationing Afghan Government is to organise day-to-day food distribution and intensity its camneign against hoarding, following reports of shortages of food and other goods in the capital.

Reform plan backed Possibility of political opposition to the communist authorities in Hungary moved closer as Parliament voted to allow independent parties and public demonstrations. Page 2

French election pact France's Socialist and Communist parties are expected today to finalise an electoral alliance for March's municipal elec-tions, after three months' open warfare between the two par-ties. Page 3

Business Summary Intervention

restrains dollar as sterling rises

DOLLAR strength prompted frequent bouts of central bank intervention, while remarks by British Chancellor of the Exchequer Nigel Lawson helped push sterling to 2½-year high against D-Mark. Page 22

LATE BURST of buying, some of it futures-related, helped blue chips advance in New York above a psychological level at 2,200 and to a new record closing since the October 1987 stock market collapse, Dow Jones Industrial Average closed up 13.22 at 2,206.43. Mar-

BRITISH Government is to retain "golden share" in 10 water authorities in England and Wales for five years after

against the D-Mark (DM per Σ)

against the D-Mark (DM per \$) 1.7 1988

privatisation later this year, and will-monitor water company takeovers involving assets of more than £30m (\$53m). Page 9

BERNARD Arnault, chairman of Financière Agache, is poised to take over as chairman of Moët Hennessy-Louis Vuitton (LVMH), leading French cham-pagne, cognac and inxury prod-ucts group, after resignation of Alain Chevalier. Page 23

ROBERT Maxwell, chairman and chief executive of Maxwell Communication Corporation, UK publishing and information group, is selling 26.6 per cent and specialist printer. Page 23; Lex, Page 22

CERUS, French holding com-pany of Italian financier Carlo De Benedetti, is expected to announce bid for 100 per cent control of Dumenil-Lebié. French financial services group of which it already owns 27.7 per cent, potentially creat-ing France's fourth largest listed financial conglomerate. Page 23

ARBKY NATIONAL, second largest UK building society, unveiled plans for first ever building society stock market flotation through free issue of shares to its 5.6m members followed by rights issue to them of over £1bn (\$1.8bn). Page 9; Lex, Page 22; Analysis,

THOMSON Travel's 275m (\$132m) takeover of fellow UK travel group Horizon Holidays was given all-clear after three-month investigation by Monopolies and Mergers Commission.

INDIAN Government plans to lease aircraft for Indian Air-lines, publicly owned carrier operating mainly on domestic routes, from other countries. Government delegation has left for talks with Soviet

JAPANESE share prices hit record levels for third consecu-tive session. Nikkei closed at 31,143.45, up 136.94. Markets,

EUROPEAN Parliament and US Congress are to explore jointly new system of binding arbitration for trade disputes

World governments pledge not to use chemical weapons

By Edward Mortimer in Paris

A PLEDGE not to use chemical weapons, and a call for their eventual complete elimination, were adopted yesterday by 149 governments at the conclusion of a five-day Paris conference.

The conference also called for a stronger UN role in enfor-cing the ban on the use of chemical weapons, and investichemical weapons, and investi-gating alleged violations. Mr Roland Dumas, the

French Foreign Minister who chaired the conference, described it as "a major step towards the total elimination of chemical weapons."

He added that he would lead the French delegation at the next session of the UN disarmament conference in Geneva, both to present the results of the Paris conference and to encourage other delegations to

speed up their work on a con-

vention banning the develop-ment, production, stockpiling and use of all chemical weap-Meanwhile, Mr Dumas said 12 more states had been added to the 129 signatories of the 1925 Geneva Protocol banning the use of chemical weapons, which the conference solemnly reaffirmed, and another two had announced their intention

of doing so.

The wording of the final declaration adopted by the confer-ence was the fruit of hard bargaining in a sub-committee during Tuesday night, mainly between industrialised and less minor victories for the US,

BRITISH airlines using Boeing

737-300 and 400 series jet airlin-

ers began checks on their

lectronic systems late yester-

day, following recommenda-tions from the investigators

into Sunday's crash of the Brit-

ish Midland 737-400 on the M1 motorway near East Midlands

The crash may have been due to "a related failure" of

both engines, the Transport Department's Air Accidents

Investigation Branch (AAIB) said in statement, and it rec-

ommended the checks to the

Civil Aviation Authority. The airlines involved are Air Europe, Air UK Leisure, Brit-

ish Airways, British Midland, Dan-Air, Monarch and Orion, with collectively 82 aircraft

involved, of which 29 are 737-

300s and three 737-400s. British Airways was also checking its

four Airbus A-320s which also

The US Federal Aviation Administration and CFM Inter-

use CFM-56-3 engines.

Airport in central England.

Bonn considers **US allegations**

Bonn seems to be coming Bonn seems to be coming round to agreeing with the US view that West German companies have played a role in supplying the Libyan plant allegedly designed to produce chemical weapons. An umaned West German Government official was quoted by payter restanday as environ. Reuter yesterday as saying Bonn had evidence that the "US allegatiions are not groundless," and Chancellor Helmut Kohl was careful not to rule out the possible nt of German companies. Page 22

developed countries, carefully orchestrated by Mr Kalevi Sorsa, the Finnish Foreign

The declaration still allows those states which signed the Geneva Protocol to reserve the right to retaliate in kind, if attacked with chemical weapons, does not establish an explicit link between chemical and nuclear disarmament, or set 1990 as a deadline for the conclusion of the Convention banning production and storage of chemical weapons.

UK airlines check 737s

after crash site findings

Mr Donald Cooper, UK Chief

Inspector of Accidents, said:

both the Number One (port) and Number Two (starboard)

engines might have suffered a

including that from the flight

data recorder and cockpit voice recorder, has confirmed that

there was an in-flight failure of

the number one engine which led to an engine fire and a

large loss of thrust in the final

stage of the approach to the East Midlands airport.

Mr Cooper added that the reasons which led to the star-

board engine being sbut down earlier in the flight were not

yet clear. "Detailed examina-

tion of the engine is being pur-

sued as a matter of urgency to

discover the cause of the fail-

ure. "The on-site examination

of this engine, so far, has revealed no evidence of fire as

was reported by the crew in their radio transmissions."

He added, however, that "a

"Since then, other evidence,

related failure

"Evidence obtained early in

By Michael Donne, Aerospace Correspondent, in London

which has been modernising its chemical arsenal since 1987 and refused to have the negotiations rushed at the expense of agreeing watertight verifica-

The Declaration does, however, call on the Geneva Con-ference to "redouble its efforts as a matter of urgency, to resolve expeditiously the remaining issues and to conclude the Convention at the earliest date," and Mr Dumas said that "everyone has the date 1990 in mind."

The US did not succeed in writing the phrase "non-prolif-eration" into the Declaration, nor any explicit provisions against the export of precur-

The Declaration does, however, express concern at "the risk of the use of chemical weapons, as long as such weap-ons remain and are spread," and calls on all states "to exerrise restraint and act responsi-

Finally, the conference hinted at sanctions against future users of chemical weap-ons, expressing "serious con-cern at recent violations," as well as "support for appropri-ate and effective steps taken by the UN" and for the Secretary General "in carrying out his responsibilities for investiga-tions in the event of alleged

Conference reports, Page 2; Editorial comment, Page 29

examination of the engine, its

warning systems and detailed evidence from the two pilots.

done, but from the existing evi-dence the AAIB have consid-

ered it prudent to make the

following safety recommenda-tions to the Civil Aviation

"l. That the CAA consider

increasing the frequency of existing engine inspections and

engine health monitoring on Boeing 737-300 and 737-400 air-

craft until the cause of the

engine failure(s) are estab-

examination of the Boeing

737-300 and 737-400 engine fire/ overheat and vibration moni-

toring circuitry for left/right

engine sense."

The recommendations indi-

cated that the investigators are

now leaning towards the theory of some malfunction of the

aircraft's systems as a possible cause of the crash, although

human error by the flight crew is still not ruled out.

Captain Kevin Hunt, the

"2. That the CAA call for an

Bank holds further talks with proposed partners

Lazard tries to Barclays reassemble GEC bid plan

By Hugo Dixon, Terry Dodsworth and Clay Harris in

LAZARD Brothers, the UK merchant bank, was working overtime last night to try to put together a consortium hid for GEC, the UK electronics

The bank's original plan was The bank's original plan was knocked off course on Tuesday, when STC, the UK's second largest electronics group, said it was unlikely to join the consortium. STC formed a key element in Lazard's plan as it was to take over GEC's telecommunications interests. ications interests. Lazard had further discus-

sions with STC yesterday to persuade it back into the consortium. It was unclear whether these discussions were going to be successful.
The bank is also in contact with AT&T, the US telecommumications giant. The plan is that AT&T would take over part of GEC's telecommunica-tions business if STC cannot be

Lazard is putting together a consortium bid for GEC in part as a response to GEC's own bid with Siemens of West Germany for Plessey, another UK electronics group.

The Lazard camp believes

that a consortium must be put together within the next few

GEC shares fell another 7p to 213p, reflecting doubts about the chances of a consortium bid getting off the ground, and the widespead belief that the GEC's own £L7bn (\$3bn) offer for Plessey, would shortly be referred to the UK Monopolies and Mergers Commission.

Lord Young, Trade and Industry Secretary, is expected to announce his decision on a

referral before the weekend, possibly as early as today. S.G. Warburg and Schroder Wagg, the merchant banks advising GEC/Siemens, meanwhile complained to the Takeover Panel about the absence of any firm news about a possi-

At this stage the Panel's inquiries are believed to be no more than routine, although the UK watchdog would demand a further statement if the uncertainty had not been cleared up as a final closing date for the Plessey bid approached.

Plessey shares closed unchanged at 226p, Ip above the GEC/Siemens offer price. A late spurt of trading lifted volume reported on the comput-

er-based Seaq system to 23m shares. GEC/Siemens, which so far has disclosed a stake of 1.08 GEC/Sie

per cent in Piessey, is believed to have picked up about 7m of the shares, to take its interest above 2 per cent. AT&T is considered within

the Lazard camp to be only a second-best option, because of its nationality. Its involvement would lend weight to fears that GEC was being carved up by foreign companies.

Barclays, the UK clearing bank which is putting together a \$3.5bn financing package to support any bid by Lazard, is understood to be concerned about the political implications of solling layers parts of CPS. of selling large parts of GEC overseas. It agreed to support the original plan because it would not have involved a forsign carve-up. AT&T is interested in taking

part of GPT, the 50-50 telecom-munications joint venture between GEC and Plessey, as it would give it a substantial presence in Europe's telecommunications market. AT&T, however, denied that any of its executives were in the UK to discuss the bid.

GE, the US electrical giant, was also in discussions last night to see whether there was any role for it to play in a bid for GEC. It is interested in GEC's power engineering and medical electronics businesses.

The Lazard camp was origi-nally keen that GE's involve-ment in a bid should be kept to minimum to counter arguments of a foreign takeover. However, GE seems to believe it might be able to take part in a bid, if Lazard's original plan falls apart. Mr Jack Welch, GE's chairman and chief executive, has already met Sir John Clark, Plessey's chairman, and is staying in London for several days to examine options.

The US company's UK mer-. N.M. Rothschild said: "GE is not going to form a second consortium and it is not going to bid for GEC itself."

There were suggestions within the Lazard camp that STC was playing for a better position by saying it was unlikely to join the consortium. STC is unhappy with the price of about £1.8bn that is being asked for GPT.

Background, Page 30

defends support for takeover

By David Lascelles, Banking Editor, in London

MR JOHN QUINTON, the chairman of Barclays Bank, went on the offensive yesterday to justify his bank's back-ing for the planned £7bn (\$12.3bn) bld for Britain's General Electric Company despite the fact that GEC's chairman,

Lord Prior, was on his board. But he also said he had to wrestle with his conscience over how to break the news of the backing to his fellow direc-tor. In the event, he did not have to. Lord Prior found out about it from another bank and resigned in anger last Friday, sparking a controversy within the UK business estab-lishment over banking loyalties. It also emerged that this was not the first time Lord Prior had learnt from someone else thet Barclays was considering financing a predator on GEC.

Mr Quinton maintained in an interview yesterday that Barclays had acted honourably throughout the deal, not only in its decision to back the consortium, led by Lazard Brothers, the UK merchant bank, trying to bid for GEC but in the way it handled sen-sitive information about it. Although Lord Prior was on

his board, he said, Barclays owed its main duty to clients for wbom it was a lead bank. These included the UK electronics companies Plessey and STC, which are part of the bid-ding consortium, but not GEC for which Barclays was only secondary banker. "If we have to make a choice, we favour people for whom we are lead bank," he said. "GEC have many banking relationships." (GEC says that Midland is its lead bank, and it bas now closed its account at Barclays). In order to limit conflicts, Barclays has an elaborate system for deciding who it will support in bids which pit clients against each other. This takes into account the relaand a host of other economic and political factors, including in GEC's case, the likelihood of losing a blue chip customer. According to Mr Quinton, there is also a complex system of Chinese walls to ensure that information about bids does not leak from one part of the bank to another. "We have 20 pages of guidelines for people involved in situations where there are conflicts," he said. Continued on Page 22

national, the engine manufac-turer, were informed but late yesterday there was no report great deal of significant evi-dence relating to this engine pilot in command, was inter-If you have plans for your business. Background, Page 9 has yet to be obtained, in par-ticular that from detailed of similar action on the large you probably need some help too. US fleets of 737-300s and 400s. Continued on Page 22 Mexican oil workers strike

By Richard Johns in Mexico City and Robert Graham in London

MEXICO'S VITAL oil industry was partially paralysed yester-day as members of the country's powerful oil workers union shut down operations in protest over the surprise arrest on Tuesday of their leader Mr Joaquim Hernandez Galicia.

The protests were accompanied by tough statements from Mr Fidel Velazquez, the vet-eran boss of the governmentcontrolled trade union move ment. They underlined the seriousness of the confrontation sparked by President Car-los Salinas de Gortari's decision to arrest the union leader, who bad built up a fiefdom within the oil industry.

Mexico is the world's fourth largest oil exporter, and oil

accounts for 40 per cent of its revenues. The oil workers' union has 110,000 members.

Mr Velazquez said: "I am
worried, disgusted.... I can't
allow this to happen in
Mexico." But he was reported to have softened his position to have somened his position later after a meeting with Mr Salinas and pledged his sup-port to guarantee labour peace. Despite rumours of possible

fuel shortages, most Mexicans appeared to support the Government's move. Mr Hernandez, known as "La Quina", was arrested with at least 30 others when army units stormed his bouse in the northern city of Tampico. He is being held on charges of undermining state security.

Yesterday six of the country's nine refineries were reported closed along with eight petrochemical plants. Some 6,000 oil workers demon-Battle for Control, Page 20 Continued on Page 22

CONTENTS

Iran's constitutional debate has factions deadlocked



Seven months before tha country votes for a naw president Hojato-lesiam Ali Akbar Hashemi-Rafsanjani is said to be ready to stand - providing certain conditions are

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Italy: Steel plant that for different reasons no one wants to close Newfoundland: Canada'a poorest province looks for fresh oil bonanza Technology: Europe warms towards energy Management: Rahabilitation of Britain's Editorial comments A test for the UN; Rules for the UK power game ...

Lex: Abbay National; Maxwell; UK retailing _22 Unit Trusts 34-37

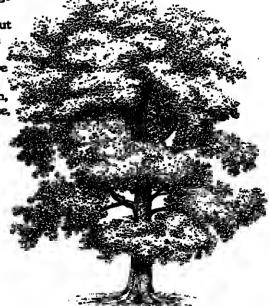
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close 131s % (same)

\$1.7810 (1.765) FFr511,0950 (11,0325) SFr2.7700 (2.7600) Y224.50 (222.75) DOLLAR New York close Tressury Bills: DM1.8285 (1.8360)

DM1.82525 (1.8355) FF:6.2170 (6.2515) Y 125,825 (126,25) Y126, 10 (125,30) GOLD York New

STOCK INDICES New York close Dow Jones Ind. Av. 2,206.43 (+13.22) SEP CA 282.01 (+1.63) FT-SE 100 1,834.1 (-1.9) World: 141.33 (Tues) Tokye Nikkel Ave

31,143.45 (+135.94) 1,687.7 (+4.4) Brent 15-day (Argus) \$16.325 (+ 20) (Feb) West Tex Crude

\$17.915 (+.39) (Feb)

World Trade Britain

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Lex -

Iraq pledge on chemical weapons expertise

By Edward Mortimer in Paris

IRAQ does not intend to help other countries follow its example in developing and using chemical weapons, Mr Tariq Aziz, Iraq's Foreign Min-

ister, said yesterday.

Speaking shortly before the end of the Paris conference on banning chemical weapons, he was asked about reports that

state, and that many other countries were approaching it for technical and military

advice about them. "Whatever experience we have, we will not spread it to others," he said. Iraq had had to face "a terrible threat to our country (from Iran) and we did

But that was now over. Iraq's present efforts were directed towards peace, "and we are not very much fond of exporting our experiences in this

Mr Aziz denied that Iraq's violations of the protocol ban-ning use of chemical weapons were the main reason for hold-ing the conference, noting that only the Iranian and Israeli for-eign ministers had referred to this in their speeches. Instead, he stressed "the par-ticular situation in our region," resulting from Israel's possession of nuclear weapons, failure to sign the nuclear non-proliferation treaty, and "refusal to reach peace with its neighbours." The final declara-

fell short of what he and other Arab ministers wanted by fail-ing to "highlight" this situa-tion. None the less, Iraq shared the aims of the conference, and was anxious to join in the negotiation of e total ban on chemical weapons at the UN disarmament conference in

UN officials sceptical about power to investigate

By A Special Correspondent

reaffirmed its support for the United Nations Secretary-General's role as an investigator of chemical weapon violations. But past experience has made the UN Secretariat sceptical about how

free a hand it will get.

Attempts to investigate even the most horrific attacks have faced harsh political constraints. Security Council members have maintained an informal right to veto or delay IDN probes and postigularly in UN probes, and particularly in the case of France and the US, they have shown little inclina-

Last June, France and the US rejected a British proposal for the Secretary-General to be granted the authority to invesout consulting the Council.

In theory, the Sec-retary-General has had the authority to investigate alleged attacks since the General Assembly voted unanimously to let him do so in 1987. in practice, the Secretariat has asked the Security Council

A string of inconsistent UN responses to chemical weapons ettacks illustrates the political pressures to which the Secretary-General has been sub-

Using soil and weapons analyses, it is relatively easy for military experts to determine if chemical weapons have been used, how, and by whom. In May 1987, a UN team approved by the Security Council did just that, concluding that Iraq used nerve gas rockets and mustard bombs against civil-

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prospects.

The team's report also said lragi soldiers had been hit by toxic weapons. UN officials said privetely that the team suspected the Iraqis had been also and the said t injured themselves by ecci-dent a line of reasoning which for political reasons was not pursued by the UN.

The Secretary-General faced even more pressure to suppress an investigation in March 1938, when a chemical bombardment hy Baghdad's forces of the

Iraqi city of Halabja killed thousands of Kurds.

Iran requested an inspection similar to the 1987 one. But the mood of the Security Council had shifted against Tehran because of its refusal to accept a UN peace plan. Iraq's Third World allies, anxious to keep

ians in the Iranian city of the heat on Iran, pressed the Khorramshahr. Secretary General to "call off

the dogs," according to a West-ern diplomat.
Only when Iran threatened to cut off peace talks with the UN did the Secretary-Ceneral come up with a compromise, come up with a compromise, sending one Spanish physician to visit the wounded in Iran, rather than the usual four or five military experts. Dr Manuel Dominguez concluded the toxic weapons had been used, but could not say who used them

them.
Iraqi chemical warfare attacks, which some say helped turn the war in Baghdad's favour, continued through May and June, without the UN naming Iraq as the user.
Only after Iran agreed to a ceasefire in August did the Council permit a UN team to

A VOTE

FOR THE FUTURE

conduct a thorough investiga-tion. It concluded that Iraq conducted a feroclous mustard gas attack on August 2 on the city of Oshnaviyah. UN officials cautioned that

while the Secretary-General would prefer greater independence on chemical weapons, be might be reluctant to take on the role unless given specific assurances he will be left free of political pressures.

Meanwhile, British officials said a UN team is drawing up

plans for more vigorous inves-tigations, to be implemented in the event that such procedures are approved by the superpow-

The team, in which most political blocs are represented, was established by a General Assembly vote in 1988, and it is

Soviet census to probe issue of ethnic balance

By Quentin Peel in Moscow

KEY QUESTIONS regarding the ethnic balance, mobility and living conditions of the Soviet Union's multi-ethnic population will be probed over the next four days in the most comprehensive census to be launched since the 1920s.

The exercise has been brought forward by one year to provide essential and reliable information for the next five-year plan, the first to be designed entirely for the economic reforms of Mr Mikhail Gorbachen.

Gorbachev.

For the first time since 1926, housing and living conditions will be included in the questionnaire, being distributed by more than 1m part-time tellers.

However the most sensitive issue is likely to be information on the ethnic composition of the 15 republics in the USSR, and the rate of population growth among the non-Russian minorities.

The whole subject of the relationship between nations and ethnic groups — of whom there are more than 100 in the population, expected to total 287m — is to be discussed at a crucial plenary meeting of the ruling Communist Party central committee in mid-year. It is not certain, however, whether more than an overview of the census results will be ready by then. Statistics showing a continu-

statistics showing a continu-ing rapid growth in ethnic minorities, et the expense of the Russian majority, would reinforce demands for e more decentralised federal system along the lines demanded by the Baltic republics in the north and the Armentans and north, and the Armenians and Georgians in the south.

Georgians in the south.

Mr Mikhail Korolyov, chairman of Goskomstat, the state statistics committee, promised this week that there would be no "blank spots" in the census, with the first results due for publication hy April.

The Soviet Union is to introduce communary AIDS tests

duce compulsory AIDS tests for all foreigners living for more than three months in the country, Mr Germady Gerasimov, the Foreign Ministry spokesman, said yesterday. He said that three times as many foreigners as Soviet citizens had been diagnosed as carriers of the virus. Among 17m peo-ple tested, 334 foreigners and 112 Soviet citizens had been

Czechs list

companies

38 insolvent

MANY of Czechoslovakia's largest companies are insolvent and will be restructured

because no one wanted to buy their products, according to the State Bank, Reuter reports

from Prague.
Mr Jan Mitro, the bank's president, was quoted in Tuesday's edition of Ende Pravo,

the Communist Party daily, as saying the main cause of insol-vency was the accumulation of

W German economy grows by 3.4%

grew by 3.4 per cent last year mainly propelled by strong export demand which more than compensated for the weaker trend in private con-

The figure, announced by the Federal Statistics Office in in line with Government and independent forecasts of around 3.5 per cent, though around 3.5 per cent, though expansion is expected to slow

The rise in GNP was the strongest since 1979, when a real rate of 4 per cent was recorded. It contrasts strongly with the limp expectations at the start of the year, before the effects of the mild winter on the construction industry were

Also helping the economy in 1988 were the low oil price, the capital investment surge in Western Europe, and the rela-tively weaker D-mark. The ifse compares with a growth rate of only 1.8 per cent in 1987. For this year, economists generally forecast real growth of between 2 and 2.5 per cent. In real terms, after allowing

in real terms, after allowing for price rises, experts of goods and services rose by \$1.1 per cent against a rise of 6.8 per cent in imports. The statistics office said Germany's terms of trade improved by 1.5 per cent, comprising a rise of \$1.1 per cent in export prices and one of 0.6 per cent in import prices. In nominal terms, the foreign component of GNP — the difference between the export and import of goods and sen and import of goods and envices - rose to DM121.3bn (£37bn) from DM111.1bn, though in real terms, it fell from DM45/nn. Private recommendation was un by

vate consumption was up by only a real 27 per cent against.
3.5 per cent in 1987.

Daimler-Benz, the West German motor group which has diversified into electronics, defence, and aerospace, yesterday held talks with British Accordance on possible areas of Aerospace on possible areas of future co-operation.

Hungary's reform laws passed

vency was the accumulation of superfluous and poor quality stock which could not be sold. He said 38 companies would be streamlined and their production subjected to stricter quality control in a programme aimed at restoring financial viability by 1991.

A list of the companies, published in the newspaper, put the combined total of their insolvency at 150m crowns (£938m). They include onglicering companies Skoda Pizen, ZGTF

manufacturers Zhrujovka Vse-tin and ZVS Dubnica, and elec-tronics companies Tesla Stras-nice and Tesla Pardubice. Also listed were all Czec slovakia's car and truck manufacturers — Tatra Koprivalca, Avia Praha, AZNP Miada Boleslav and LIAZ Jablonec — and several textile and glass manufacturers and construc-

Overall insolvency of Czechoslovak enterprises rose to 45hn crowns in 1988 from 3bn in 1980, Rude Pravo said. According to Western estimates, economic growth slowed to 2.2 per cent last year from 2.3 per cent in 1987.

By Leatte Colitt in Berlin

HUNGARY'S Parliament yesterday approved political reform laws guaranteeing the rights of assembly and assect

debate on the pace of the reforms, legislators reached a compromise agreement with the Government, in return for a nearly unanimous vote on the bills, the Government promised to draft a new law on political parties by August 1. Although the Law on Associ-

ation provides for independent political organisations, it does not provide for political parties. This is to be covered under forthcoming legislation which will set down the condi-tions under which parties may be established. It is to be incorporated in a new constitution which is to be enacted in time for elections in 1991.

Bid to end Greek-Turkish deadlock on arms talks

By Judy Dempsey in Vienna

NATO countries, after intense discussions, last night again attempted to break the dead-lock between Greece and Tur-key over what parts of the lat-ter should be excluded in new conventional arms reduction

talks.
Greece continues to insist that the southern Turkish part of Mersin, an important transportation centre for northern Cyprus, should be included in the final mandate on Conventional Stability Talks (CST) which groups together the 16 Nato and seven Warsaw Pact states.

It is understood that Greece and Turkey yesterday blocked

a compromise text related specifically to the disputed zone.
Unless a compromise is agreed today, it could radically upset the timetable for the conclusion next week of the Visnna review meeting of the Conference on Security and Conference on Security and Conference on Security and Co-operation in Europe (CSUE). Foreign ministers from the 35 states which signed the original 1975 Helsinki Accords of the CSCE are expected in Victoria on Javanese. Visuna on January 17.
Romania yesterday indicated to the Austrians that it would not hlock consensus in the final draft CSCE document,

Protests force leaders to quit in Montenegro

COMMUNIST AND state leaders in Montenegro, Yugo-elavie's emallest republic, resigned en masse yesterday in the face of a wave of protests over the economy and abuse of power, Reuter reports from Begrade.

Two days of demonstrations in Titograd by 120,000 workers and students forced top party and state officials to quit in a republic of multi-ethnic Yugo-slavia for the spend time in slavia for the second time in three months.

The latest unseating of leaders highlighted economic hard-ships, ethnic strife and worker unrest in Yugoslavia which caused Prime Minister Branko Mikulies gazante Mikulic's government to resign
Last October thousands of
workers toppled regional leaders in northern Vojvodina province, a part of the Serbian

republic, but a similar attempt in Montenegro a few days issue was crushed by riot police.

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LONDON LIFE

EUROPEAN NEWS

French left-wing parties agree electoral pact

By George Graham in Paris FRANCE'S Socialist and

W Germa

cconomy.

*- FARMEN | INC.

Communist parties are expected to set the seal today on their electoral alliance in March's municipal elections.

Mr Pierre Mauroy, secretary general of the Socialist party, and Mr. Georges Marchais, the Communist leader, will sign a joint declaration, settling their policy differences at national level and opening the way for level and opening the way for local negotiations over which should take the lead in each

municipality.

The past three months have seen open warfare between the two parties, with the Socialist Government blaming the Communists for exploiting the wave of public sector strikes which brought postal and transport services to a halt. Communist leaders also reacted vigorously when charged by Mr Michel Rocard, the Prime Minister, with being "Stalining"

The sudden peace, following a lull in the series of strikes, shows the extent to which each party still needs the other.

For the Socialists, the agreement brings a measure of security in Parliament, where the Government does not have an absolute majority. Mr Rocard has already fought off a right-wing causure motion thanks to Communist abstention.

Tomorrow's joint declaration includes an implicit Communist commitment not to join the right in a censure motion for the rest of the parliament. For the Communists, the deal offers the alliance they need to hold on to their cherished municipal power bases, especially in the Paris suburbs and in the north of France

The two parties have had difficulty in reaching an agreement on how to divide up the municipalities. The Communists have now relaxed slightly their demand for a line-up unchanged from the last municipal elections in 1988, when the right won 31 towns with over 30,000 inhabitants from the left, 16 of them previously held by the Communists.

Outgoing Communist mayors are expected still to lead the left was all the left was all to lead the left was all the left

the left-wing alliance into the March elections (with one or two possible exceptions such as Amiens) but the Socialists may take over in some munici-palities where a Communist leader lost in 1983.

In spite of professorial claims to the contrary, old conflicts are still reflected in contemporary issues

Revolutionary tremors shake France 200 years on

T IS NOT easy for a civilised, democratic country to celebrate the anniversary of a revolution, even its own; or perhaps that sentence should read "especially not its

A People's Republic may revel only too appropriately in the commemoration of the rightful events which substi-tuted one oppressive regime for another; but in a stable, pluralist system, there can hardly fall to be a deep ambive-lence about the violent rupture which may have been its necessary precursor.

To those who are not french, the French Revolution may perhaps appear to be something which happened long ago and, metaphorically speaking, far away. Very important, of course, and very dramatic; but in the history of Europe there have been many dramatic upheavals before and since.

By now, one might think, the painful memory of regicide, the Terror, the civil war, and the mad pursuit of Empire, should have had time to fade away. Yet 200 years after the events which shook the world, France is still only too obviously and vibrantly alive with ambivalent feelings about

them. This is not just a case of left-right antagonism between today's ideologists, though

obviously the left feels much

than the right.

No, the process of looking back to 1789 and the years and decades which followed, seems to be evoking deep echoes about France's history and identity.

in theory the revolutionary explosion of 1789 took place a explosion of 1789 took place a long time ago by a distant shore; in reality its waves are still reaching France, and Europe, over a deep undertow. François Furet, the fashion-able doyen of French histori-ans of the period, and author of two massive new books on this subject, gained notoriety with his claim that "La Revolution Française est terminée".

Professor Furet upset left wing apologists of an idealistic interpretation of the Revolution, because his analysis seemed to lean (with qualifica-tions) towards the conservative views of Burke, Chateaubriand and Tocqueville.

But part of his aim has been to break free from the age-old interpretative quarrels between left and right, and to argue that the Revolution is over because its ideas have at last triumphed in a politically united country.

Such a couciliatory thesis has obvious appeal. Despite the apparently insatiable popular appetite for tittle-tattle about the British and Monegasque royal families, monarchists in

better about the Revolution than the right.

No, the process of looking back to 1789 and the years and decades which followed, seems to he applying down.

At second glance, however, the Furet proposition seems less self-evident. According to the conventional wisdom, France'e Fifth Republic represents the attainment of political stability. After 200 years of

IAN DAVIDSON ON EUROPE

political upheaval, which included (among other diversions) three revolutions, a directorate and a consulate, a restoration and a monarchy, two empires, and five republics, France has now achieved

maturity.
Yet these past ruptures did not erase factors of deep contiunity. For example, there is the celebrated thesis of another historian, Réne Rémond, that the French right is divided into three camps, and has been so divided ever since the Revolution. Christian Democrats, Napoleonists, and Orleanists (i.e. liberals). This may sound just an intellectual gimmick; but in fact it provides the most coherent systemic prism for explaining

celebrating the Revolution is the declining fortunes of the French political right over the

past 20 years, since the resignation of General Charles de Ganlle, and it proved to have strong predictive powers in forecasting the defeat of the conservatives in last year's presidential election. briefly major-domo of the blcentenary arrangements, sought to play safe by empha-sising the declaration of buman rights; he did not emphasise that there were three such declarations, each adapted to the rapidly chang-Prime Minieter Michel Rocard claims that the old left-

ing political circumstances.
One declaration may be a triright quarrels, over money and religion, are now dead; if so, death was rather recent. Ever since the Revolution, umph of the buman spirit; with three, the original solemnity looks dangerously like the French educational system has been a battle-ground of

Even if France has now has been a partie-ground of republicans against conserva-tives, lay people against Catho-lics; as recently as five years ago a Socialist government fell when it tried to curh the (state-funded) privileges of the "free" (i.e. Catholic) schools; reached a haven of political stability, however, it is hard to deny that the prolonged intervening turbulence, in France and in Europe, must have been part of the legacy of the revolution in its wider sense.

Last year's sudden upsurge of support for Jean-Marie Le Pen and his National Front two years ago, a conservative attempt to introduce selective entry to universities brought school pupils on to the streets in their thousands, and the

Pen and his National Front showed that France was suffering from serious nightmares. essure was withdrawn. The obvious names of the The biggest reform of the educational system, in the 1880s, was conducted in terms of the symbolism of the Republican Revolution; and it seems inevitable that Republican inevitable that Republican nightmares were immigration and unemployment; but other ghosts, too, were clearly trou-bling the French: a desperate mixture of hope and fear inked to the single European market, the Algerian war, the fall of France and the Vichy syndrome, 130 years of con-flicts with Germany. François incantations will again domi-nate the "revolutionary" reform of the education system which is about to be launched by the Rocard government.
The central problem with Furet's new history of the revolution takes the narrative up to 1890; if that is not an eloquent comment from a man who says selectivity or compartmentalis-ation. The late Edgar Faure, comment from a man wno says the revolution is over, I do not

Some French academics wonder wistfully why the English Revolution in the 17th English Revolution in the 17th century passed off so much more emoothly then the French in the 18th; yet there is no great mystery. Charles I was condemned by an established parliament, Louis XVI by an assembly in the throes of wild and perpetual improvisa-

Inevitably, improvisation leads to more improvisation, much more naturally than to any consensus on institutio stability. In this case it led to three revolutions, a directorate and a consulate, a restoration and a monarchy, two empires, and five republics, etc.

and five republics, etc.

In the past, French Marxists have been able to glide over these problems, because they could revere the French Revolution as the precursor of the Russian. Such a simple dialectic now looks much more problematic under the assaults of perestroika and glasnost. perestroika and glasnost.

Mr Gorbachev's revisionism

does not yet put in question the legacy of Lenin; but his attempts to make Russia a more advanced country have far-reaching implications for the orthodoxy of the past. If his reforms succeed, they will cause serious difficulties for anyone who wants to believe in the unsullied virtues of any revolution, even the French.

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Bagnoli: more symbol than steel plant

WHEN IT was built at the turn of the century the Bagnoli steelworks stood outside the city of Naples, glowering smok-ily at the northern end of its

giorious bay.
Urban growth has since engulfed the plant, physically attaching it to the city's heart and generating such an emotional strength that most commercial and industrial activity in Naples stopped for a few hours yesterday for the fourth

John Wyles reports on a plant which Italians, for differing reasons, do not want to close-

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Plans for a new integrated plant at Gioa Tauro in Calabria were eventually abandoned, but a hesitant and qualified EC blessing was secured for rede-velopment at Bagnoli based on the installation of two uew blast furnaces and the con-struction of a modern rolling mill for the production of hot

social imperatives of the

Naples.
The trade unions were united in insisting that the Nespolitzn economy could not stand the shock of closure, so

only one of Bagnoli's new fur-naces was allowed to operate. Hence its designation by experts inside and outside Fin-

3,000, the Government still

the idea of closure, the present government failed, none the less, to carry its view in Brus-sels that the future of the melting shop should be left open at least until June 30.

Michelis, has now legitimised the union campaign to pre serve Bagnoli as it is by invent ing the doctrine that the deci

because its costs are signifi cantly higher than French or West German competition.

think again.
Which is what the Govern-

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49% despite the downturn in markets worldwide. Currently they are valued at over £12 billion.

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time in five years "in defence" Rarely has any factory anywhere acquired a symbolic lentity so out of proportion to its economic or social value. In Napies, Bagnoli stands for years of bad judgments and

ken promises by the central government in Rome; in Italy as a whole it is the symbol of L13,000bu (£5.5bn) consumed over the past eight years by an inefficient and badly managed public steel industry; in Brussels, it is the monument to the domestic political fudges in Italy which so often put in question Italy's reliability as a

European Community partner. Successive Italian governments have made a mess of Bagnoli. In the late 1970s when the EC's structural surplus of steel capacity was clearly emerging, Rome was still developing the national steel industry as a vehicle for economic development in the Mez-

rolled coils.

To Italian governments the 1.900bn plan appeared over-whelming. Bagnoli was employing around 7,900 people in crumbling, poor, deprived

stand the snock of closure, so workers were laid off on nearly full pay for more than a year while the plant was redevel-oped and then re-opened in

But, from its first days, the "new" Bagnoll was a suitable candidate for permanent clo-sure. Italy was bringing up the rear in the programme of EC steel restructuring and as part of its insistence that Rome close 5.8m tonnes of capacity,

sider, the state steel company as "structurally uncompeti-tive." The losses have conse-quently piled up: L156bn in 1986 and L200bn in 1987. But even as employment at the plant has dwindled to around

refuses to contemplate closure. The profitable parts of Finsi-der have now been grouped into a new company, Ilva, which rightly regards Bagnoti as a "political" plant, not an industrial one, Having rejected

This was partly because the minister in charge of the nego-tiations with the European Commission and other member states, Mr Carlo Fracanzani clearly did not believe in the case for retaining steelmaking ite the 2,400 jobs at stake Mr Fracanzani's mistake

however, was not to prepare public opinion or his col-leagues for last month's Com-mission decision that the melting shop should close at the eud of June. Mr Pietro Lezzi, the Mayor of Naples, said yesterday that its closure would leave the rolling mill so clearly uneconomic that Bag-noll would be condemned to a

The Deputy Prime Minister, the Socialist Mr Gianni De siou on the melting shop belongs to Rome and will be taken on the basis of whether it would be economic to retain

This is now being examined by a joint union-management committee at Ilva. But few experts believe that Bagnoli can operate profitably without further substantial investment

Nevertheless, the 10,000 workers who filed through Naples yesterday are at one with Mayor Lezzi in believing that Italy must make the Commission and its EC partners

which is what the Government will probably try to do. All Italian parties have their eyes firmly fixed on June's elections to the European Parliament, and with the opposition Communist party firmly behind Bagnoli's workers, neither the Christian Democrats not the Socialists look ilkely in the meantime to find the melitic. meantime to find the politi cal courage to confront the unions on this or any other major issue.

Bulgaria relaxes the reins

By Judy Dempsey in Vienna

THE BULGARIAN authorities, grappling with a series of hast-ily drawn-up economic reforms, have announced a sweeping change in the organisation of enterprises aimed at weakening the role of central planning and introducing small, privately-run compa-

The new decree, published in Sofia earlier this week, is designed to give enterprises more autonomy. It also appears to allow managers to issue bonds and shares. In addition, the authorities,

in what is considered an important re-think on the running of the economy, will allow individuals to set up their own private companies, provided they no more than 10

people.

These new enterprises will be free to set their own prices "in accordance with prices on the international market." The decree also loosens the grip of the Foreign Trade Ministry, giving enterprises the right to carry our farcign eco-nomic relations "indepen-

all policyholders in the coming decade and beyond.

OVERSEAS NEWS

Vietnam, Thailand mend their relationship

....I

THE DIPLOMATIC momentum towards resolution of the Kam-puchean conflict increased again yesterday with Thailand and Vietnam declaring an end to a decade of mutual recriminations and Prince Norodom Sihanouk, the former Kampu-

Silanouk, the former Kampuchean monarch, dropping two
important objections to a settlement, Agencies report.

In Bangkok Mr Nguyen Co
Thach, Vietnam'a Foreign Minister, beaming after two days
of talks, said of Mr Siddhi Savetsila, the Thai Foreign Minister: "He is my elder brother." ter: "He is my elder brother. We have had vary useful talks." Mr Siddhi said that Thailand would be willing to take part in the reconstruction of Vietnam once the Kampu-chean issue had settled.

Referring to the plan for Vietnam to pull out all its forces out of Kampuchea by September if a political solu-tion is reached, he said: "I think after September every-thing will be all right" in bilat-

In Paris, Prince Sihanouk
has dropped two conditions
from his five-point peace plan
for the country during meetings with Asian foreign minis-

ters this week. He has withdrawn his demand that an international peacekeeping force be sta-tioned in Kampuchea after the rival factions make peace – be will now accept an enlarged international control committee in its place. He has also abandoned his condition that the Vietnam-backed govern-ment in Kampnchea be dis-mantled before a provisional peacetime government could

Ha has, too, reversed his call for President Suharto of Indonesia to postpone talks between the warring Kampuchean fac-tions in Jakarta next month

and now says he will attend.
Prince Sihanouk has been
meeting Mr Sosuke Uno, the Japanese Foreign Minister, Mr Ali Alatass, the Indonesian Foreign Minister and Mr Qien Qichen the Chinese Foreign Minister, all of whom have been in Paris for the international conference on banning chemical weapons

The impetus for the present flurry of diplomacy on Kampuchea came from a meeting in Moscow last month between the Chinese and Soviet foreign backer of the Vietnamese occu-pation and of Hun Sen'a regime, installed in Prom Penh after the invasion in 1978,

Khmer Rouge Robin Pauley, Asia Editor, writes: All parties to the Kam-puchean conflict are slowly responding to pressure from China and the Soviet Union, both of which are determined to see the dispute concluded.

Moscow, tired of the cost of backing the occupation, is foreing the Viatnamese with-

The Chinese, for their part, are tired of the harm done to their international image hy backing for Pol Pot's Khmer Rouge which massacred mil-lions in the four years before the invasion.

Prince Sihanouk has turned into an unpredictable maver-ick, sometimes initiating peace talks and other times scupper-ing them. His latest concessions represent another abrupt switch from a rigid position, partly under pressure from China but also partly because of his own strategic manoeuvr-ing to ensure that he is

Kampuchea's next leader. Although he remains tha most likely leader and the only one with any credible chance of holding the warring factions of Kampuchea together the peace process of recent months has greatly enhanced the international standing of Hun Sen, whose government celebrated 10 years in power last Satur-

Dakar rally circus leaves a nasty taste in Timbuktu Hyundai in

Paul Betts reports on an annual 24 hours of Western bustle at a decaying outpost of the desert

HIS may be the 20th century, but two deser caravans still arriv once a year at Timbuktu. One has been coming for centuries, bringing on the back of a few camels some bars of salt mined 600 miles away in

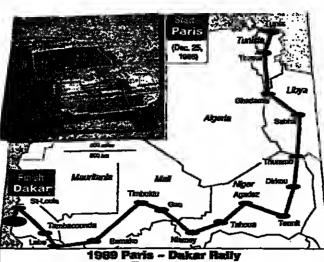
the Sahara at Taoudeni The other is a much more recent and noisy convoy which has roared through the city for the past 11 years, bringing very briefly to this dusty and decay-ing outpost on the fringe of the desert all the hustle and bustle

of the Western world. The Paris-Dakar car rally arrived in Timbuktu on Sun-day and was already gone on Monday. For 24 honrs, souped-up prototypes lifted clouds of dust in the sandy tracks between the tiny airport and the two hotels in the

and the two notes in the city.

More than 30 small aircraft descended on the airport, converting it into a jet-set camping ground, giving the Tuaregs and the other local inhabitants a taste of the Riviera at the height of the summer

Under the Michelin Beachcraft, people were serving Cha-teauneuf du Pape with dinner. Manicured blondes in white



nirs and cans of Coca Cola saved from last year's

rummaging through the rub-bish for empty bottles and bro-ken bits of metal and plastic. In its 11 years, the Paris-Dakar rally, followed by a posse of 200 journalists and

photographers, has always provoked controversy. Even participants sometimes grudgingly acknowledge that there is something obscene about the that there is something wrong The contrast between this mul ti-million-dollar circus and these starving countries is an exercise in bad taste," said one french participant. "But it is still one of the most exciting and adventurous races in the

There was indeed a feeling in the Timbuktu caravan that the Paris-Dakar was beginning to lose some of its lustre as the big professional teams take over the race.

Peugeot, for example, decided in Timbuktu to toss a

coin between its two leading drivers to decide which would cross first the finishing line in Dakar this week. The controversial decision was taken to prevent the two drivers, Ari Vartanen and Jacky loke, from competing the principle and varianen and Jacky rick; iron competing too viciously and risk smashing one of the cars. "Our main purpose is to make sure that there are two or three Peugeots in the top three at Dakar," was the explanation of a Peugeot official

car companies, but it is a shame," admitted Mr Gilbert Sabine, the rally organiser. As for all the ethical criticisms, he emphasised that the African countries were keen for the race to go through their towns. "It's the most important

event of the year for us," said the driver of the bush taxi, a battered Peugeot 404 pick-up truck, bumping past the dusty poster outside Timbuktu wel-coming visitors to "the black pearl of the desert". This rally is good for us", said Mr Ales-sane Dicko. the sec sane Dicko, tha accretary-general of the Timbuktu town hall, in his cool office overlooking a tiny vegetable plot in the sand.

imbuktn is a key rally stop. "If you haven't reached Timbuktu, you haven't really succeeded in the race," added Mr Dicko.

But little is left of the golden days of the city when it was a thriving cosmopolitan centre, sacred to learning and a hub for desert commerce. Drought and deaertification have reduced trade to the one big salt caravan a year, the Azulai, salt caravan a year, the Azalai, as well as a little harter conducted by the local tribes of a Peugeot official. conducted by the local tribes "You can't really blame the in the holy city's threa

From a population of more than 100,000 people a century or so ago, there are now barely 20,000 inhabitants, and about 400 people leave each year. Of the universities, only one is left and the Koranic schools are reduced to their most simple expression. Disease is everywhere and the infant

mortality rate is 10 times that of France.
The city suffers from a chronic shortage of water, even though the last year has seen one of the best rainfalls for several years. The monuments and huildings are crumbling. The house of René Call-lia – the explorer who first

established lasting tias between France and Timbuktu - has fallen to pieces, paradox-ically, because of the recent

However, each year when the Paris-Dakar circus comes to town, Timbuktu for a brief 24 hours relives some of the bustle of its past. It does not last long and it leaves a rather nast song and it leaves a rather nasty taste in the mouth. But as the young black man who sold me an old pot for Ffr 20, the equivalent of nearly one week's wages, said: "It helps us do good business."

attacks on unionists

By Maggle Ford in Seoul

THE HYUNDAI business group, one of South Korea's top four companies. is embroiled in a second big row emoroused in a second the tow-over its labour practices follow-ing a violent attack on trade unionists at its shipbuilding

subsidiary. Mr Han Yoo Dong, executive Mr Han Yoo Dong, executive managing director at the Hyundai Engine plant, was vesterday questioned by police who believe that he may have organised a group of men who attacked the unionists with clubs and pipes. More than 20 workers were hurt, several

workers were an experience of the seriously.

A Korean American had explier taken the blame for the incident, which involved 30 men who raided a meeting of unionists late at night. Nine other men are under investiga-

The violent attempt at suppressing the Hyundai union follows a three-week strike at the shipyard in December. Several thousand staff are still refusing to return to work.

Last year Hyundai attracted severe criticism when management of its construction company organised the kidnepping of a white collar union leader who was snatched late at night by a gang of men after a meeting with management.

He was held in a remote country village for a week. Several senior executives—were later arrested and charged.

later arrested and charged.

A number of other companies have recently used gangs of violent men to break strikes and intimidate workers includ-

and intimidate workers, including Samsung, the country's largest company, which basa trade unions. The gange, described as "save the company squads" have also been employed by Motorola, the US semiconductor manufacturer to prevent a union being formed at its Seoul subsidiary. The International Metal-workers' Federation in Geneva, this week sent a strong protest.

this week sent a strong profest to the Seoul Government about the use of an "arsenal of dirty tricks including lockouts and beatings" to prevent the forms-

P 432

tion of unions.

The gangs, who are reminiscent of the "save the company squads" used to break unions in Japan after the Second World War, have been especially active in an export processing zone in the south east of the country where using Japanese companies have the situation where the situation went the situation. sidiaries and joint ventures. Taegu have been warned not to west uniforms off the military base and not to travel alone. The warning follows a minor firebomh attack on an army truck in which one soldier was slightly injured.

jump suits plastered with the names and symbols of oil, motor and electronic compa-nies fussed around the drivers with plates of noodles in the the last car had gone on Mon-day, the airport looked like a huge garbage tip. Tha prices of souvenirs suddenly tumbled Peugeot compound. Virtually the entire local population also seemed to be there, offering for sale souveand the locals wandered round

STATEMENT NARROWS POLICY GAP WITH PERES

Shamir hints at UN role in Mideast talks

MR YITZHAK SHAMIR, the Israeli Prime Minister, has for the first time acknowledged a possible role for the United Nations in hosting Middle East peace talks.

In a speech to a delegation of European parliamentarians, the right-wing Israeli leader said that direct negotiations between regional parties to the conflict could take place under the auspices of either the superpowers or the UN. The only condition attached was that the bosts refrain from interfering in the substance of the talks.

Mr Shamir's aides yesterday played down the significance of his words, saying that he still rejected the idea of a UN-sponsored international peace conference. But the statement does appear to indicate a sig-nificant policy reappraisal by

By Mervyn de Silva in Colombo

SRI LANKA'S five-year emergency ends today after President Ranasinghe Prema-

dasa said that the improving

security situation did not jus-tify its extension.

The emergency laws have to be passed by parliament each month. The former President

Junius Jayawardene dissolved parliament on December 20, a day after Mr Premadasa, then

Prime Minister, narrowly defeated Mrs Sirimavo Bandar-anaike in a hitterly fought presidential election marred by

violence. Mrs Bandaranaike petitioned the Supreme Court

on Monday, appealing to a

five-judge panel to declare the election null and void.

a familiar phenomenon in the past 20 years and the emer-

gency was declared in May 1983 in anticipation of violence

at parliamentary by-elections. It had to be extended each

month after the vicious anti-Tamil riots of July 1983 aggra-

vated Sri Lanka's ethnic con-flict, resulting virtually in civil

Mr Premadasa, in a reference to the presidential election, said: "The losers were not, repeat not, harmed in any way

and I am proud to salute my

supporters for the way thay celebrated my victory."

Post-polls violence has been

Sri Lanka's five-year

emergency ends today

someona who has previously rejected virtually any role for the UN in regional peacemak-ing, and brings Mr Shamir closer to the positions being taken by the US, the Soviet

Union and Egypt.

It also narrows the old policy gap with Mr Shimon Peres, the Labour leader, now serving under him as Finance Min-Western diplomats say the

Prime Minister appears to be manoeuvring to regain the ini-tiative from the Palestine Lib-eration Organisation and simultaneously to soften Israel's rejectionist image abroad. Mr Shamir is due to visit Washington in February, soon after the inauguration of President George Bush, and is clearly anxious to demonstrate flexibility over the stalled Middle East peace

mon parliament to have the emergency extended but that

would be a pointless exercise

since elections to a new, enlarged assembly of 225 mem-bers will be held on February

15 under a system of propor-tional representation.

tha ruling United National Party will be lucky to get 125 seats. But President Prema-

dasa has asked his party organ-isers to guarantee him 150, or a

two-thirds majority. Mr Jaya-wardene, who had a five-sixths majority, amended the 10-year constitution 15 times to consol-

idate his authoritarian rule.

While the sabotage and terror campaign of the extremist Sinhalese JVP has visibly subsided, pre-election violence rather than post-polls disturbances is now the threat to stability. On Thursday, a construction of the contraction of the contraction

bility. On Tuesday, a car carry-ing a top official of Mrs. Bandaranaike's Sri Lanka

Freedom Party was ambushed. The SLFP's assistant secretary, Mr Indrapala Abeywira, and

another parliamentary candidate were killed. In the past week, more than 20 people have been killed in election-related incidents.

Athough the stock market

has recovered, and tourists are slowly returning, the post-elec-

On its December 19 showing

Senior Israeli officials have stressed that no comprehensive peace plan has been finalised yet. But the hints of change currently heing dropped at regular intervals should be seen as a testing of the waters, both at home and abroad. Soon after Israel's November election, Mr Shamir revived the idea of peace talks under the aegis of the two superpowers. He has also let it be known that he is prepared to update the 1978 Camp David

accords he insists should remain the basis of negotia-Expanding on the Prime Minister's cryptic remarks about the UN, Mr Yossi Ben-A-haron, a top aide, was quoted yesterday as saying that the way in which the UN helped bring about a ceasefire

Cuban pullout 'can be verified'

THE commander of the UN observers appointed to monitor

the phased withdrawl of Cubar

troops from Angola said yester-

day he was satisfied he could conduct an independent verifi-

conduct an independent verifi-cation of the departure, despite doubts expressed by South Africa and Unita guerrillas fighting the Angolan Goven-ment, AP reports from Luanda.

"I think there will be no dif-ficulties in carrying this assignment out," Gen Pericles Ferreira Gomes of Brazil said

in response to a question about the ability of the 70 military and 20 civilian observers to

verify independently the num-

bers of departing troops.

But he also said the success of the 27-month mission depended on the "goodwill" of the Angolan and Cuban gov-

between Iran and Iraq could serve as a precedent for the Arab/Israeli conflict.

Officials from the Civil Administration, the military government for the occupied territories, and the Defence Ministry are currently engaged in a series of discreet meetings with a broad spectrum of Palestinlans from the West Bank and Gaza Strip. These unpubli-cised talks are being treated as a sounding board for possible new steps by Israel, including local elections.

The last municipal elections in the West Bank were beld in 1976; but most of the results were subsequently nullified by Israel, which ousted mayors whose political affiliations were too close to the PLO. Gaza has not known elections of any sort since hefore

High Court rules against Mossad over press report

THE Israeli High Court has ruled against the country's military censor and Mossad, its external intelligence service, in a landmark decision which will expand press reporting of the previously closed world of national security.

The unlikely hero is a small
Tel Aviv weekly, Ha'ir, which
since last August has been try-

ing to publish an article critici-sing the near-legendary Mos-sad for recent blunders, The two best known slip-ups - the discovery of false British pass-ports in a telephone booth in West Germany and the expo-sure of a Mossad spy ring in Britain — led to a year-long break in co-operation between the British and Israeli intelligence services.

Each version of the article was either rejected or badly mutilated by Brigadier General Yitzhak Shani, the chief cen-sor, prompting Ha'ir's editors to take the case to court. The odds ware heavily stacked against the journalists, as the political and judicial establishment has in the past jealously guarded the intelli-gence community from any public discussion.

The Mossad chief at the centre of the row, whose identity cannot be disclosed, was due to retire soon after nearly seven years in the post. His original retirement date, last October, was extended to allow the new government to select his successor. Following the High Court ruling, security officials confirmed that the changeover would take place shortly. But the Prime Minister's office took the unusual step of issuing a statement denying any connec-tion between the two events.

Amai militiamen, wearing masks against the cold. The Syrian-backed Shia Amai launched hit-and-run attacks through driving rain and fog yesterday on positions held by the Iran-backed Shia Hizbollah around the village of Jubah in south Lebanon while waiting for the weather to allow a full assault. At least 115 people have died in 12 days of bitter fighting.

China's austerity programme fails

programme has failed to slow the runaway economy, Reuter

We regret that Gita Piramal's article on Indian Airlines published on January 5 was erro-neously illustrated by a photo-graph of an Air-India Boeing 747. Air-India and Indian Air-lines are of course entirely sep-arate organisations and the article had no reference or application whatever to Air-In-dia. We would like to take this approximate of correcting the opportunity of correcting the record with epologies to Air-India.

CHINA'S four-month austerity

writes from Peking. Tha Economic Daily said industrial output in the fourth quarter grew by 18.8 per cent over the same period during the previous year – the fastest quarterly growth of 1888 – despite tough measures intro-duced in September to slow it down. "This high speed growth is wrong for China," the paper said. "It has led to shortages of

and serious problems in trans-port."

The State Statistical Bureau said industrial output rose at a faster rate in December than in November although it was down from more than 20 per cent growth in October.

Industrial production rose to a price-adjusted Yuan 1,214bn (£182bn) in 1988, up 17.7 per cent from the previous year, the China Daily reported, quot-ing the State Statistical

The value of light industrial production rose 19 per cent last year to Yuan 611.8bn, while the output of the country's heavy industry increased 16.4 per cent to Yuan 601.7bn. 1988 was the first year the output of China's light industry outstrip-ped heavy industrial produc-tion.

China Daily also quoted the Statistical Burean as saying China's energy production rose 4.8 per cent last year from 1987.

UK to step up aid to refugees in **Hong Kong**

By John Effott in Hong Kong

THE UK is to step up its assistance to 25,000 Vietnamese refugees in Hong Kong by giv-ing the United Nations High Commissioner for Refugees an extra £1m to help pay for relief work in addition to an initial impledged last October.

But it is not prepared to increase the total of 1,000 refugees it has offered to take into the UK during the next two or three years. three years.

This was announced in the colony last night by Lord Glenarthur, the UK's Foreign Officerarthur, the UK's Foreign Officerarthur

arthur, the UK's Foreign Office junior minister with responsibility for Hong Kong.

He came under attack from lohby groups that want the 1,000 figure increased by the UK and others so that all the 15,000 recognised refugees, out of Hong Kong's 25,000 boat-people, are resettled abroad within three years.

three years.

He has also faced questions on the refusal to give full British passports to the colony's people for use after China regains sovereignty in 1997.

regains sovereignty in 1997.

This issue has been reopened by Portugal giving European Community passports to 10,000 of its citizens in the neighbouring colony of Macao.

Hong Kong community leaders are angry that, under EC rules, this will give inhabitants of Macao easier access to the UK than they will enjoy after 1997.

Lord Glenarthur said he would raise the issue with the British Government on his return to London although he saw "no prospect of further change."

He thought one of the reasons why Portugal had taken a different line was that only 100,000 of Macso's people would qualify to go to Portugal compared with 3.5m Hong Kong people who could qualify on the same basis for UK

tion hopes of peace may prove illusory. Mr Premadasa can re-sum-Factions fight for advantage in Iran's constitutional debate

The battle between radicals and those who favour an 'open door' policy is out in the open, writes Kamran Fazel reform. The first problem here is that the existing constitution does not provide for such changes.

Correction

Air-India

ITH seven months to go until crucial presidential V V elections in Iran, specula-tion is mounting about possible fun-

damental changes to the country's administrative system.

The Tehran Times, which generally reflects official views, reported this week that Ayatollah Buhollah Khomeini, Iran's spiritual leader, had come down in favour of amenderful executive presidency. Quoting "reliable sources", an editorial in the newspaper added that Hojatoleslam All Akbar Hashemi-Rafsanjani, the powerful parliament speaker, was likely to run for the post provided it was fashioned to his liking.

If the proposed reforms are accepted, it will be an important step towards breaking — or at least over-riding — the deadlock between different factions which has prevented the Iranian regime from setting out coherent economic and foreign poli-cies since the end of hostilities with

Iraq last summer.

However, the plan to change the constitution – which was approved in its current form by a national

tion — still faces strong opposition from both ends of the political spec-trum within Iran. Conservative cler-ics fear that it would deprive them of their effective power of veto over legislation, while leading radicals are digging in their heels against an

opening-up of the country to foreign investment and trade.

The radicals also have their own potential presidential candidate in the form of Hojatoleslam Mousavi Khoeniha, the Attorney General. He has served Ayatollah Khomeini well and is not to be taken lightly. Mr Rafsanjani, who is now

regarded as the leading pragmatist within the leadership favouring improved ties and more trade with foreign countries, is reported to be demanding that the post of Prime Minister be abolished and that the presidency, assisted by the newlycreated post of vice-president, be endowed with sweeping executive powers. Until now, the President has been only one - and not the most powerful - of a number of competing power centres within the regime. The need for structural change in the Government has been exposed



Rafsanjani: better links with West

by the effective end of the eight-year Gulf war, and the approach of an era of peacetime reconstruction. During the conflict, Iran's leadership felt compelled to show a united front despite the obvious differences between its various factions. Since the ceasefire, however, the

split within the regime has become increasingly evident, to the extent thet newspapers now talk openly ahout disagreements between "right-wingers" like Mr Rafsanjani and "left-wingers" who favour increased state control over the economy and oppose increasing Iran's links with the West. Asked by confused followers to settle this confused followers to settle this rivalry, Ayatollah Khomeini has merely ruled that policy differences are the sign of a healthy society. For the moment, the advocates of

For the moment, the advocates of an "open door" policy appear to have the upper hand. They argue that Iran needs foreign investment and technology, and that the Islamic Republic's past surfeits of zeal have unnecessarily alienated countries which could help to provide this. Changing Iran's image to that of a stable country which could attractionessures and lure back the sizeable number of Iranian experts in exile is

number of Iranian experts in exile is likely to remain a near-impossible task so long as the Government con-tinues to speak with multiple voices. It is for this reason that people like Mr Rafsanjani appear to have concluded that the system needs to be changed through constitutional

The other, perhaps more formida-ble obstacle is the vested interests ranged against constitutional reform, from the left-wingers led by Mr Mir Hussein Mousavi, the Prime Minister, and Mr Ali Akbar Mohtashemi to the conservative clerics.

The latter have much to lose. The latter have much to lose. Under the current system of checks and balances, the more conservative-minded ciergy play an important political role through the so-called Council of Guardians, which vets all bills passed by the Majlis (parliament) to ensure that it complies with their interpretation of clarm in effect this body has acted Islam. In effect, this body has acted as the interpreter, or guardian, of the current constitution. But it has also created a huge legislative bottleneck over the years by blocking important measures covering such questions as land reform.

In an attempt to circumvent this roblem and settle the underlying ideological dispute, another assem-bly – known as the Council of Expediencies and composed of senior clerics and government officials - was

created in February last year. But to created in February last year. But to all appearances, the stalemate has continued, and tha jockeying for influence has intensified.

Another criticism of the Islamic Republic is the lack of an effective opposition. To remedy this, the Government has decided to implement a hill which provides for an egipte of ernment has decided to implement a bill which provides for an easing of controls on political activity. Although this was originally passed in 1981, it had lain dormant until the authorities announced in December that political parties and societies would be allowed to become active

from March.
The Interior Ministry said on Monday that 18 parties had applied for official registration, but they apparently do not include the Freedom Movement of Mr Mehdi Bazargan, which is the largest currently legal opposition movement.

In the light of the restrictions on opposition activities in recent years, it has to be said that a degree of scepticism continues to surround the Government's liberalisation moves. It is a sentiment which is scarcely allayed by the prospect of a massive concentration of power in the hands of a future executive president.

World Bank shelves vote on Brazilian loan

THE World Bank, under fire from the US environmental lobby, has put off indefinitely a

yundai in

iionists

vote on a key \$500m (£280m) loan to Brazil's energy sector. The move could jeoperdise \$600m in additional commercial bank financing promised under Brazil's \$5.2bn debt rescheduling accord, activated last September. A \$450m co-financing loan from Japan was also contingent on World Bank approval of the sectoral loan. However, there have been suggestions that the commer-cial bank loans may be made

contingent on other World Bank financings. World Bank approval of a \$500m loan to Electrobras, Brazil's power agency, had been expected last month. However, Mr Peter Riddleberger, a World Bank spokesman, said the loan has been taken off the Bank's calendar and negotiations had foundered over the issue of

foundered over the issue of

Brazil's nuclear energy pro-The World Bank has had an nnstated policy of refusing loans to nuclear projects. Brazil's nuclear plants are particularly controversial because of safety concerns and because Brazil has not signed the nuclear non-proliferation treaty, which means its research programme is closed

to international inspection. The energy sector loan was under negotiation for 18 months, Mr Riddleherger said, but it was not until late in the talks that World Bank officials were told that in a government restructuring. Electrobras would be given responsibility for Brazil's nuclear sector.

'We have told them we can't

nuclear component," Mr Rid-dleberger said. "We're at an

on Monday, US Senator Robert Kasten, a Wisconsin Republican, made public a letter written to Mr Barber Conable, World Bank president, warning that approval of the loan would create "a storm of controversy on Capitol Hill and around the

The financing, he said, would mean "the unnecessary destruction of thousands of acres of tropical rainforests and displace a commensurate number of people."

Furthermore, he was concerned that support for the loan would in, in effect, reverse the World Bank's policy of ref-uang support for nuclear pro-

The US Director to the World Bank opposed an earlier loan to Brazil's energy sector because of threats to the environment and concern that the project would not protect thonsands of indigenous Indians who were to be moved out of the way of the development.
An aide to Senator Kasten

said plans were under way to seek allies among other World Bank directors if the loan were to come to a vote without envinmental safeguards. Concern about Brazil's human rights and environmental policies has been height ened since the nurder of Mr Chico Meades, a union organ-iser of rubber tappers, in the Amazon last month. A bi-parti-

san delegation of US senators and congressmen is expected in Brazil tomorrow, where they hope to meet President José Sarney and may visit Mr Mendes's grave.

Disaster puts spotlight on failure of justice Peru hit by

Brazil's criminal law system has broken down almost totally, reports Ivo Dawnay

N New Year's Day, just 15 minutes after the tourist boat Bateau Mouche IV sank off Copacabana bay in Rio de Janeiro with the loss of more than 50 lives, a new law came into

force in Brazil requiring all drivers to wear seat belts.

Those few who actually spot-ted the regulation's announcement in the press most proba-bly simply smiled. It is, after all, the third attempt to intro-duce a seat-belt law and, as one newspaper delicately put it,
"the others did not "take'."

Despite the furore still rag-

Despite the furore still rag-ing over the New Year's Eve boating tragedy, which has launched an impassioned bont for culprits indictable with criminal responsibility, nobody appears to be making the con-nection between the anthori-ties' persistent failure to apply the law and the public's fre-quent refusal to take it seri-

None would deny that for all the pomp and ceremony that surrounds Brazilian judicial processes - not least the recent promulgation of the new constitution – legislation often has a problem getting a grip on the slippery surface of the country's society.

Over the past few weeks, Brazilian law did not "take" for Mr Chico Mendes, the rural workers' leader and ecologist gunned down, despite months

of death threats and a full-time of death threats and a full-time police escort.

Nor did it apply too soundly to Petrobras Distribuidors, the state petrol station chain, some of whose senior executives are alleged to have taken vast bribes to channel accounts to protectly having. grateful banks.

Neither can it be argued that the Brazilian citizen's ambivalent relationship to the laws that govern him is due to a lack of them: the country seems as regulated as any in the developed world. Where the system breaks down is in their application. All countries have their fair

share of legal abuse, whether it be straightforward non-observance, legal but ethically dubi-ous plea-bargaining or bare-faced corruption, petty and otherwise. In Brazil, commercial and corporate law or civil tort law, for example, function quite efficiently, if largely in out-of-court negotiated settle-

But in the criminal law, most especially where it applies to the middle class, the breakdown is almost total. Indeed, it is arguable that systematic bribery and more serious rule-bending has all but privatised the penal system. In the last two years, the only really prominent figure to see the inside of a cell was a

Rio rock star - predictably, for

entant drug posse

Last Sunday, the respected conservative newspaper, O Estado de São Paulo, underistado de São Paulo, under-lined the point by publishing an average bribe "rate" for a series of offences or services from speeding (£5.50) to more serious problems like the shelving of a tax investigation (negotiable).

any might have suspected, therefore, that the Bateau Mouche disaster would be treated with the same forlorn shrug and a turn of the page. But this has not happened. Instead, the tragedy has become a cause célèbre, with public clamour growing for

better public safety and genu-ine accountability. Unproven allegations have suggested the boat's owners deliberately ignored safety limits and that the navy coest-guards took bribes to allow the trip to continue despite protests from the captain that his vessel was overloaded.

Cynics will argue with some justification that, had it been a local workers' ferry that sank, all this would have been different; that it was only because wealthy socialites died that a new "Action for the Citizenry". campaign, demanding the full application of the law, has spring from the disaster. But as one, necessarily anon-

ymous, public prosecutor put

it: "It may have been the \$150-a-head ticket price that has got the ball rolling. But these are the moments when change happens and people see that their power is potentially enor-

How enormous that power really is will take some time to see. The boat's owners are blaming the naval authorities, blaming the naval authorities, while the navy is already contesting the rights of the civil courts to try its personnel. A local poll showed nearly 70 percent of the Rio public believe that in the end no-one will be found guilty.

This defeatism springs from the knowledge that the chronic ills of the Brazilian judicial system stack the odds against

system stack the odds against the prosecution. Experienced jurists like Mr Evandro Lins e Silva, a former Supreme Court judge, also point to absurd case loads that often require more than 1,000 judgments a year

from many judges.
"Impunity is the result of the disorganisation of the judicial system," he says. "It functions both slowly and badly, and for the poor it doesn't exist at all." Part of the solution to this may come in the new constitu-tion, which has ordered the creation of a series of small claims and crimes courts to relieve the suffocating mainstream tribunals of some of their burdens. But excessive bureaucracy is still a desperate

obstacle.
What the Bateau Mouche case has raised more pro-foundly, perhaps, is a deep-rooted demand in Brazil-ian society for government to face up to its responsibilities as overseer of its own regulations - another small but crucial step on the road back to

democracy.

A less easily digested proposition, however, is that the citizen also has a duty to collaborate – that he cannot expect laws to work, yet ignore or avoid them himself. As one lawyer observed there were lawyer observed, there were probably some people among the sinking's victims who had bribed themselves a place on

"In the end the problem is cultural," points out Mr Jose Luiz Bulhoes Pedreira, a distin-guished Rio lawyer. "It will be many years before

that really changes It may be many years too before the connection between the Bateau Mouche case and the "non-take up" of the seatbelt law is made in the average citizen's mind. And more still before courageous campaigners like Mr Mendes can lobby for their rights without fear of the gunman in the night.

The most optimistic Brazilians are now arguing that — however far off that may be the process seems to have begun at last.

strikes after price rises

_ By Veronica Baruffati

A WAVE of labour unrest has hit Peru less than a week after Mr Carlos Rivas Davila, the Finance Minister, announced another devaluation and price

increases. Bankers staged a 24-hour strike yesterday to demand higher minimum wages and the promulgation of a resolu-tion which would give them antomatic wage increases

every four months.

The private fishing industry based in Patta has come out on strike in protest against the decision of a Lima judge to impose an injunction against moving 50 ships until they pay total of \$100,000 (£56,000). Over 600,000 civil servants

have called for a 24-hour strike today against the eco-nomic measures and as a lemand for the reappe of Mr Oscar Delgardo Vera, the customs trade union leader who has not been seen since his arrest early last month. Customs workers have been

on strike for almost a month in demand for better wages and working conditions. Peru's two largest trade

union associations, the General Confederation of Peruvian Workers and the Confederation of Peruvian Workers, have called for a two-hour

Setback for Central American peace plan

By Tim Coone in Managua

MOVES to regenerate peace efforts in Central America have suffered a new setback, with the latest postponement of the presidential summit due

Last-minute efforts to salvage the meeting failed despite urgent calls over presidential hos-lines from Nicaragua and Guatemala to President Oscar Arias of Costa Rica, warning of a possible failure of the a possible failure of the regional peace efforts if the summit was once again postponed. Mr Arias none the less refused to reverse his surprise decision to call off the meeting. President Daniel Ortega of Nicaragua later said: "The

Micaragua later said: "The winds of war and aggression continue to blow in the region." He sharply criticised Mr Arias for sacrificing the regional peace initiatives "to the strategy of the US State Department or White House."

He said that if the summit failed to take place at a rescheduled date during February, before the El Salvador presidential elections, it was not likely to take place at al.

The timing of the summit, which has been postponed four times during the past year, was important, as it was widely seen as the last chance for the Central American leaders to

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Central American leaders to agree on a common strategy to bring peace to the war-torn region before the new US Administration takes office in Washington on January 20.
The latest postponement, which was strongly opposed by the presidents of Nicaragua, Guatemala and El Salvador, places a question mark over the future of the stalled Esqui-polas II peace plan, signed on

. Although no further advances have been made since last June, when the USdefinitive ceasefire agreement with the Nicaraguan Govern-ment and broke off direct talks ment and broke off direct talks under US pressure, a precarious peace has reduced the level of military confrontations to 10 per cent of their level in 1987. In El Salvador, meetings between the Government and the guerrillas have been called off, but a political wing of the FMLN guerrillas has agreed to take part in the presidential elections in March.

elections in March.
In Honduras, President
Azona has agreed in principle
to the establishment of a multinational peacekeeping force on the border with Nicaragua to prevent further incursions of the Contras into Nicaragua.

The summit postponement will now give the new Bush Administration a breathing space to push forward its own policy on Central America, which is expected to be revealed during or shortly after Mr Bush's inauguration

Thrifts plan to cut insurance cover attacked

By Anthony Harris in Washington

THE proposal from the Council of Economic Advisers (CEA) for reduced US deposit insurance coverage was dis-owned late on Tuesday by the US Treasury and denounced by

many Congressmen
However Texas Democrat
Representative Henry Gonzalez, chairman of the House Benking Committee, refused to close the door on the idea, though he said that it required careful study.

Mr Nicholas Brady, the

Mr Nicholas Brady, the Treasury Secretary, in an unusual display of public discent within the Administration, said reduced insurance cover was "not an option" and would not be included in the Treasury proposals for the thrift crisis, which should be ready for publication in three weeks.

weeks.

Several Congressmen reaffirmed their support for 100
per cent cover of deposits up
to \$100,000, and Rep Henry
Schumer, a New York Democrat and a vocal critic of the
thrift industry regulators, said
he was "appalled" at the
Administration's timing.
However, Mr Heryl Sprinkel,
CEA chairman, defended his
proposals robustly yesterday.
"The incentives are wrong," he
said in a television interview.
"If we do not provide some
incentive for prudence, the crisis will simply happen again."

Curbs on debt in leveraged buy-outs likely By Anthony Harris

SENATOR Lloyd Bentsen, chairman of the Senate Finance Committee, said yesterday he was "deeply concerned" about the excessive use of debt in leveraged buyouts, and expects his committee to introduce legislation to curb them. The committee has scheduled hearings on leveraged buy-outs for January 24-26.

Mr Bentsen refused to be

Mr Bentsen refused to be drawn on the nature of any curbs, saying they required careful study; ill-considered action, he added, might make

careful study; ill-considered action, he added, might make matters worse. Something must be done, however, to head off the danger that excessive debt would lead to wide-spread bankruptcies in a future recession, making the downturn difficult to correct. The committee's main preoccupation would be the budget deficit, and substantial time would also go to trade oversight activities.

The Business Caucus, a congressional group which normally takes a strong free trade stance, called on the Bush Administration to take an "aggressive" trade posture to open market for US goods.

Mr Nicholas Brady, the Treasury Secretary, on Tuesday urged the National Economic Commission, the bipartisan body studying the budget deficit, to work to its original dealine of a report by March L

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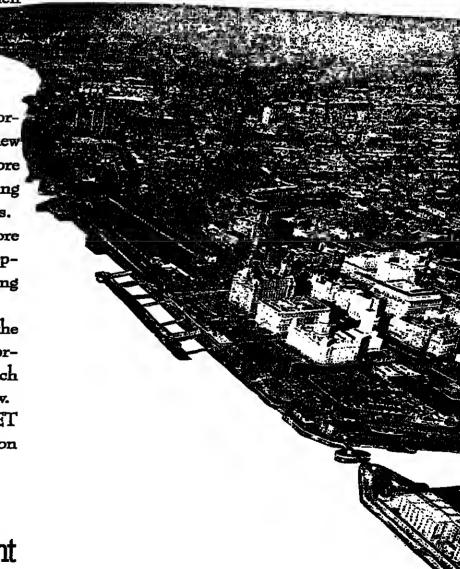
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By lan Davidson in Paris

A NEW SYSTEM of hinding arbitration, to handle trade dis-putes between the US and the European Community, is to be jointly explored by the European and American parlia-

The idea of a new disputes procedure, inspired by the arbitration provisions of the recent US-Canada trade pact, was put forward by the US side at a regular meeting in Paris this week of delegations from Congress and the European Parlia-

The US proposal is a clear response to the eruption of two recent trade disputes over agri-culture between the US and the Community: the crisis in the mid-term review meeting on the Gatt trade liberalisation talks, which broke down in for a commitment that all farm subsidies be abolished, and the quarrel over the European ban on imports of hormone-fed

At their concluding press conference, both delegations went out of their way to play down the real importance of these transatiantic farm trade disputes, and to stress the high degree of harmony between Europe and the US on much more important policy issues. Mr Tom Lantos, (Democrat, California), chairman of the US

team, said the two sides had held "one of our very best meetings", and he dismissed the dispute over hormone-fed beef as "a small family squabble, and a no-win situation", which was much lower down the scale of values than the problem of chemical weapons, debated by government delegations in Paris this week.

He said it was important to

keep things in perspective. "Co-operation between Western Europe and the US has never been better, and the West has never been stronger since the end of World War IL The Europeans share our val-ues, and to an overwhelming degree share our policies as

The innovative disputes pro-The innovative disputes pro-cedure in the US-Canada pact invokes the principle of bind-ing arbitration, through a five-judge panel, in place of the multilateral Gatt disputes pro-

cedure. The Gatt procedure takes too long and does not work very well," said Mr Sam Gibbons, (Democrat, Florida), cochairman of the US team, after the meeting.

decision, not negotiation, and we think the time has come for the US and the EEC to explore the idea of an arbitration pro-

W Germans to boost export of machinery to Moscow

By Andrew Fisher in Frankfurt

WEST Germany's mechanical engineering industry expects business with the Soviet Union to move up sharply again this year as Moscow planners order goods and machinery needed to make their industries more

efficient and competitive. The German mechanical engineering industry associa-tion (VDMA) expects its mem-bers' exports to the Soviet Union to jump to around DM4bn (£1.25bn) from almost

DM3bn in 1988. Much of the extra business will go to small and mediumsized companies providing "We need a procedure of

machinery to modernise Soviet factories producing consumer goods such as shoes, furniture, textiles, and food.

Liebherr, the Swiss-owned engineering group which pro-duces in Germany, France and Austria, hopes soon to sign a deal to supply equipment for a new car engine plant to be

built near Moscow.

Total value of the project should be around DMibn, of which 60-70 per cent will go to Western suppliers like Lie-bherr, which hopes to deliver gear-cutting and machine

Hungarians rush to buy cars in West

By Leslie Collit in Berlin

ADVERTISEMENTS Budapest newspapers these days are tempting Rungarians who yearn to buy a car to join a free bus trip to "Europe's big gest and cheapest car market in Munich".

A rush to the West of poten-tial Hungarian car buyers is under way as the result of this month's halving of the customs tariff on most cars to 10 per cent. At the same time, tariffs on imported electronic goods sold in Hungary were lowered

to 15 per cent.
In a further bid to tap the hard-currency assets of Hun-garlans, the government plans to open shops and department stores stocked with Western goods selling for hard cur-

More Hungarians than ever possess Western currency, largely earned from renting rooms and providing other ser-vices to foreign visitors.

The government, struggling to service its \$16.6bn hard currency debt, has decided that citizens will be allowed to hold twice as much Western currency — the equivalent of Forints 4,000 — at home. They are also being encouraged to make greater use of interesthearing hard currency accounts offered in Hungary.

In a bid to further liberalise imports from the West, more than 250 products which previously could not be imported without approval may now freely enter Hungary. They represent about 35 per cent of hard-currency imports.
This boon for the consumer

flush with hard currency or who earns plenty of forints comes amid what the Hungarian media describes as the "pauperisation" of society. More than 1.9m Hungarians or, 18 per cent of the population, are estimated to be existing below the subsistence level.

The lowering of tariffs on cars is a special case as it will increase the outflow of hard currency. Hungary's Comecon partners, however, are unable to provide anything like the number of cars needed, and pent-up demand has led to waiting times of more than seven years for a car which is paid for in forints.

David Owen examines a project within the context of previous disappointments

O-CALLED "megaprojects" have a way of disappointing expectations in heavily fish-dependent Newfoundland, the green, pleasant and windswept land that is Canada's poorest province.

A range of such projects, from the Churchill Falls hydroelectric development in remote Labrador to the recently reopened Come By Chance oil opened Come By Chance oil refinery - once the largest bankruptcy case in Canadian history - have singularly falled to pave the streets with gold, despite the elaborate claims made on their behalf.

This explains the cynicism

with which Newfoundlanders have dubbed "Grow By Chance" a partially govern-ment-funded project to culti-vate hothouse cucumbers on the island. It also explains why mere mention of the C\$8.5bm (£4.1bn) Hibernia offshore oil project was until recently enough to send the average Newfie's eyebrowe shooting heavenwards.

The province's meagre 575,000-strong population has been regaled with promises of untold riches from crude oil ever since the 525m-barrel oilsouth-east of the island in 1979 (300 miles north of where the Titanic foundered)
Mr Brian Peckford, the Con-

servative Premier, has already been re-elected twice on the strength of that promise. After the July signing by the federal and provincial governments and a consortium of five oil companies of a statement of principles to proceed with the project, Mr Peckford will probably attempt the same pledge again before his term expires in April 1990.

Initial reaction to the document, which expects that oil from the project will start to flow in 1995, was accordingly dismissive — (a hinding legal agreement is not due to be signed until March). But with Prime Minister Brian Mulroney's Progressive Conservative government, which promised C\$2.7bn in grants and loan guarantees, recently re-elected to Ottawa for a second five-year term and Mobil Oil Can-ada – the consortium leader promptly calling for tenders on two major contracts, the suspi-cion is growing that construction may finally get under way. This is despite the high cost

where could reap a consider-In all, pre-start-up spending is estimated at C\$5.2hn. Even if

ernia would produce. "At \$15 in today's dollars, the field is profitable," according to Mr Gordon Gosse, the province's deputy Energy Minister.

Newfoundland looks for fresh oil bonanza



of the concrete gravity base structure and the attendant "topsides" equipment and facil ities does proceed, the limited number of construction groups with offshore oil sector exper-tise in the North Sea and else-

Canadian companies achieve

their targeted proportion of contracts begin to sub-contract 40-50 per cent of overall project work late next year or early in costs, that leaves a considerable window for US and overseas service companies and

suppliers.
Already, a limited foreign presence is in evidence in the various consortia declared eligible to bid for the two contracts for which Mobil recently tracts for which Mobil recently called tenders: namely those for the gravity base structure itself and for topsides engineering procurement. Both of these contracts, according to a Mobil Oil Canada will be worth "hundreds of millions" of dollars.

One of two consortia bidding for the base structure includes Norwegian Contractors of Oslo, a unit of Oker which has helped to build similar structures for Mobil in the North Sea. Two of the three groups in contention for the topsides

jointly-owned company belong-ing to Shawmont Newfound-land of St John's and Brown and Root of Houston.

The bulk of the opportunities for foreign suppliers will come, however, when the respective winners of these two master

contention for the topsides

engineering contract also include Norwegian companies, in addition to SBR Offshore, a

In anticipation, foreign com panies are lining up to form joint ventures with local conioint ventures with local con-cerus anxious for oil industry expertise, in order to take advantage of procurement guidelines which favour New-foundiand and Canadian exit-ties. "In the past 45 days, we have had two to three people per week from the UK and Nor-way in our office looking at per week from the UK and Nosper week from the UK and Nosway in our office looking at
joint ventures," according to a
prominent local businessman.

Mr John Colbourne, caowner of Basil Fearn, a local
distributor of pumps and electric motors, has auccessfully
advertised for would be collecorators from the Canadian
energy sector. He plans shortly
to place similar advertisements
in Aberdeen newspapers.

As confidence in the project's future grows, the level of
foreign interest is on the
increase. A Norwegian trade
mission recently visited St
John's, as did Mr Peter Mort.
son, Britain's junior Emerity
Minister. In the next few
months British and Dutch
trade missions are expected to

trade missions are expected to pass through the area.

HK toymakers at the top again

per barrel of the oil which Hib-

By John Elliott in Hong Kong

HONG KONG toymakers last year re-established themselves as the world's biggest producers of toys.

They organised exports worth some HK\$15bn (£1.1bn) from processing factories in the Pearl River delta area of China, in addition to exporting hetween HK\$9bn and HK\$10bn worth from their own establishments,

The HK\$15bn production from Chinese factories alone matches the total HK\$14.6bn toy production achieved in 1987 by Taiwan, which had just overtaken Hong Kong for the number one spot. It establishes China as a sig-

nificant producer of dolls, plastic animals and other low-technology labour-intensive items.
This has led to fresh confidence among Hong Kong mannfacturers who have had to react to sharp drops in sales in the past few years.

Their earlier market winners, such as Cabbage Patch dolls and Teddy Ruxpin, lost popularity as the US market collapsed and major financial problems hit key US custom-

Hong Kong companies have responded by moving their local production up-market and transferring labour-intensive operations to the adjacent heap labour area of the Pearl Delta in south China's Guangdong Province. There, over 1m people are working in about 12,000 assembly and processing factories for a variety of Hong Kong industries, A report published yesterday

by the Hong Kong Trade Development Council said processing fees paid for each worker to Chinese authorities in Guangdong range from only HK\$ 300-1,100 a month, compared with Hong Kong manufacturing workers' monthly pay of HK\$4,000. The toy facto-

ries are at the bottom end of the Guangdong range of fees. In the first 10 months of last year, exports of toys made in Hong Kong itself dropped by almost 20 per cent to HK\$8.61bn, with an estimated total for the full year of HR\$10hn, according to the Trade Council at the opening of the colony's annual toy and games fair yesterday. Toys make up about 5 per cent of

the colony's exports. But the decline was more than offset by re-exports of toys through Hong Kong from China, up by about 75 per cent to HK\$12.88bn in the first 10

The total for the full year is estimated at HK\$15bn, which hrings Hong Kong companies' total toy exports to HK\$25bn. This probably includes some double counting because about HK\$1.5bn-worth of exports to China will have included fac-

Israel doubles orders for military exports

By Laura Blumenfeld in Jerusalem

ISRAEL received \$2bn (ELIbh) in military export orders in 1988, twice the amount of the previous year, Mr Yitzhak Rabin, Israel's Defence Minis-ter, has revealed to parliament. The country's arms export industry is also off to a running start for 1989. In the latest of a series of deals, Israeli military industry officials say the US is close to approving the purchase of Israeli-made antiradiation drones.

Military experts have esti-mated that the country's arms sales constitute I per cent of the overall world market, a significant sum considering

Israel's size.

Lockheed of the US signed an agreement with Israel Air-craft Industries (IAI) this week to develop further and market an Israeli-designed, short-range missile, provided that its 1990 test flight proves successful.

Development of the Arrowal system designed to neutralise incoming ballistic missiles at high altitudes—is heigh financed primarily by the US Peningon, which awarded Laithe \$156m contract last July as part of its Strategic Defence initiative.

IAL Israel's largest military exporter, has recently alexaged up its husiness with Latin American countries.

Among its 1966 deals was a series of contracts with Caffe worth potentially \$50km for a package which includes 12 Israeli-powered Effic fighter aircraft, and a contract with Col-

craft, and a contract with Cor-ombia for the upgrading of French-made Mirage lightest. Ramta Structure and Systems, a subsidiary of IAL announced it was about to begin delivery of 400 mine-clearing ploughs worth over \$30m to the US Army.

SPAIN

The Financial Times proposes to publish this survey on:

13th February 1989

For a full editorial synopsis and advertisement details, please telephone:

Richard Oliver on Madrid 459 01 50 Sandra Lynch on 01 248 8000

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DIVIDEND NOTICE TO THE HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS FOR COMMON STOCK OF TOSHIBA CORPORATION (FORMERLY TOKYO SHIBAURA ELECTRIC COMPANY) DESIGNATED COUPON NO. 72 (ACTION REQUIRED ON OR PRIOR TO APRIL 30TH 1989)**

Chemical Bank, as Depositary (the "Depositary") under the Deposit Agreement dated as of February 15th 1970 among Tokyo Shibanra Electric Company Limited (the "Company"); the Depositary and the holders of European Depositary Receipts (the "Receipts") issued thereunder in respect of chares of Common Stock, per value 50 Yen per share, of the Company (the "Common Stock"), HEREBY GIVES NOTICE of a dividend of 4 Yen per share of Common Stock!

The Dividend on the shares of Common Stock of record on Deposit with the Custodian under such Deposit Agreement, less a portion thereof withheld by the Company on account of Japanese times, has been received by the Custodian as agent for the Depositary, and, pursuant to the provisions of such Deposit Agreement, has been converted into United States Dollars at the rate of 123.50 Yea per United States Dollar.

The Depositary has been advised by the Company that Japan is a party to international agreements with Australia, Belgium, Canada, Denmark, France, The Federal Republic of Germany, Makya, New Zealand, Norway, Singapore, Sweden, Switzerland, the United Arab Republic, the United Kingdom and the United States of America under which certain persons are entitled to 15% tax withholding rate on dividends such as the dividend in question. The persons so entitled include residents of such countries and companies organised thereunder meeting certain condition relating to the carrying on of trade or business in Japan. Persons not so entitled to a 15% tax withholding will be paid

retaining to the carrying on the trace of outputers in Jupine 2 cases on the carrying on the watershall will be puted a dividend on which a 20% tax withholding rate has been applied.**

To determine entitlement to the leaser tax withholding rate of 15% it is necessary that the sucrender of Coupon No. 72 be accompanied by a properly completed and signed certificate (copies of the form which are obtainable at the office of the Depositary in London or any Depositary's Agent) as to the residency and trade or business activities in Japan (if applicable) of the holder of Coupon No. 72. Such certificates may be forwarded by the Depositary to the Company

Payment in United States Dollars of the amount of the dividend payable will be made at the office of the Depositary in London or at the office of any Depositary's Agent listed below upon surrender of Coupon No. 72.

DEPOSITARY'S AGENTS

NAME Chemical Bank The Bank of Tokyo Limited Pierson, Heldring & Pierson Banca Nazionale dei Lavoro Banco Nazionale del Lavoro

ADDRESS Frankfurt, Germany London, England Paris, France Frankfurt, Germany m. The Nothe

Kredietbank S.A. Luxe The following table sets forth the amounts payable upon presentation of Coupon No. 72 from the various

minations of Receipts. Coupon No. 72 Detached Dividend Payable Gess 15% Japanese Gess 20% Japanese from Receipts in the Denomination of: withholding tax) withhoking tax) 1 Depositary Share 10 Depositary Shares \$11.02 20 Depositary Shares S23.40 \$22.02 \$58.51 50 Depositary Shares \$55.06 \$117.00 100 Depositary Shares \$110.12

Payment in United States Dollars in respect of Coupon No. 72 will be made by United States Dollar check dra or transfer to a United States Dollar account maintained by the payee with a bank in New York City.

Date: 12.01.89 Chemical Bank, as Depositary, 180 Strand, London WC3R 1EX, England

* September 30th 1988 has been established as the record date for the determination of the stockhelders of the Company entitled to such dividend. All receipts insued in respect of common stock not entitled to share in such dividend will be without Compon No. 72 attached.

*Certain bolders of Receipts may be entitled upon the fulfillment of certain conditions to reductions in the withholding tax rate applicable to them. The Depositary will, if in its discretion not mobily burdensome and upon payment of all expenses incurred in connection therewith, take such action as it deem appropriate in the circumstances to assist such holders in availing themselves of such reductions. Because of Expanese tax requirements applicable to the Company, the Custodian has been asked to remit to the

Company, shortly after April 30th 1989 the excess received by the Custodian over 80% of the dividend payable and allocable to unsurrendered Coupon No. 72. As a result, persons surrendering Coupon No. 72 after such date will be entitled to receive from the Depositary or

As a result, persons surrendering Coupon to 12 and and one the beautiful to the Depositary or any Depositary's Agent a dividend on which a 20% tax withholding rate has been applied and, if entitled to a 15% tax withholding, will be required (in order to realise such entitlement) to make application to the Company for an additional 5%. Such application may, consistently with the foregoing paragraph, be made through the Depositary.

LEGAL NOTICES

IN THE MATTER of

FAROIL COMPANY LIMITED IN THE MATTER of the to

NOTICE IS HEREST SIVEN pursuant to em-tion 96 of the insolvency Act 1966 Stat. A meaning of fite Creditors of Saboil Company. Langed will be half at The Westbury Hotel, Here Bond Sives, London WIA, on Westbury Hotel, Here Bond Sives, London WIA, on Westbury 1987 to 1987 to January 1988 of 2.00 abook in 1987 to January 1988 of 2.00 abook in 1987 to January 1988 of 2.00 (I) A list of the partner and actives of the Company's Creditors will be available for the Instruction of the offices of Edwards Serfi-hert A. Company, Bospine House, 198-173 Hepart Street, London WIFF 775 on the two bullstein days talking next before the day of the presenting.

the meeting.

Deted this dist day of Jennery 1988.

NOTE: Forms of general and special provides are enclosed herewith. Provides to be used at the meeting, must be lodged at the Repland Office of the Company at Septime House, 188-173 Reports Street, London WFR.

ZFB not later than 12,00 o'olock on the 17th

BRETISH AND OVERSEAS INSURANCE COMPANY LIMITED

NOTICE 18 HEREBY GIVEN that we, ion, Dougles Barker Bons and Alan John Borrelt, of 128 Queen Victoria Breet, London ECR, water appointed Joint Liquidators of the above assess company on the November 1986 and notice is hereby given that the reddings of the above named company are reddings of the company are requested to send their names and advanced and of their dette or caldens and of any accordy hale by them to lay Douglas Barier Bond, 128 Queen Victoria Series, London ECR 4-X and to establish any title they may have to prigrity on or

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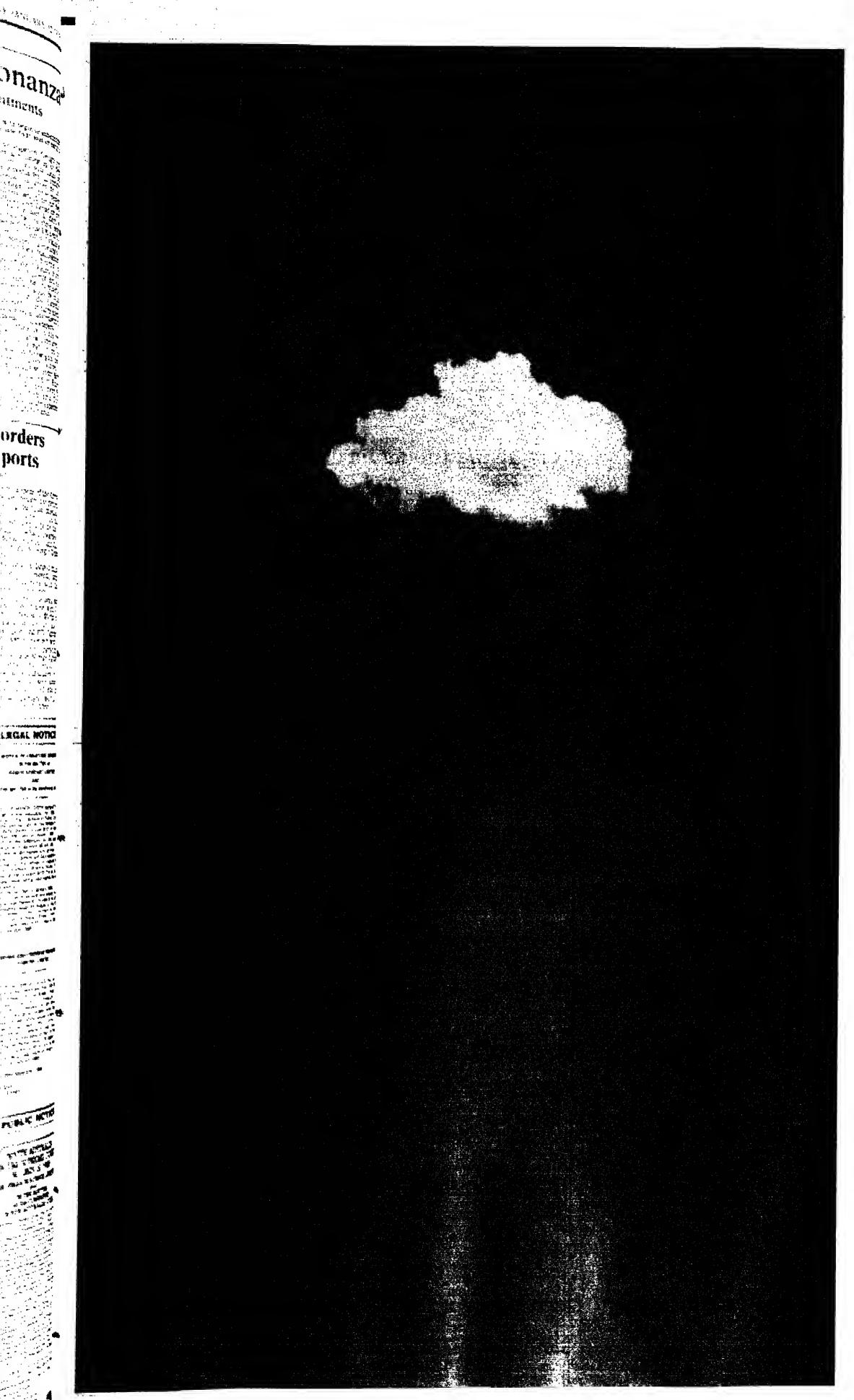
SOUTH AUSTRALIA IN THE SUPREME COURT No. 2829 of 1988 ME EXPA HOLDINGS LIMITED

ORG.

IN THE MATTER

Of the COMPANIES (SOUTH AUSTRALIA) CODE

INCTICE is hereby given that by order of the Honourable Justice Perry detect the Honourable Justice Perry detect the Honourable Justice Perry detect the 14th day of December 1861 is revening if the aboversamed company's credition, collect that those conditions veloce cellular would be entitled by priority of personal by without of Section 441 of the Company, was secured to Section 441 of the Company was secured to Section 441 of the Company was used to section 451 of the Company within the condition of the Company within the section of the Company within the section of the Company within the section of the condition of the Company within the section of the section of the section of Mesers. Farrier Hodgeon & Co., Chartered Accountments, 7th Floor, 55 York Street Sydney in the State of New South Value of the purpose of Company and the companies and if the course of Hodgeon & Co., Chartered the companies of the companies of the companies of the companies (Section of the Companies (South Australia) of the companies (South Australia) of the section of the Section of the Companies (South Australia) of the Section of the Section of the Section of the Companies (South Australia) of the Section of the Secti Comparities (Struth Australia) Clode structure of the Comparities of the Comparity of Comparities of the Comparities of the Food, Struck Struck Sydney in the State of New Space; New Struck St



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WORLD

The worlds favourite airline.

Lloyd's rejects move to scrap unlimited liability

LLOYD'S of London, the insurance market, publicly backed away yesterday from abandoning its 300-year-old system of unlimited liability, but left the door open for possible reference to make it essier ble reforms to make it easier for its 31,000 members to spread their underwriting risks.

Underwriting agents agents, who look after the affairs of the market's 31,000 members, argued that Lloyd's needed to change its practices to allay fears among members that they were facing excessive risks from disasters such as the Piper Alpha explosion in the North Sea at a time when the market's profits were under threat.

The issue was highlighted by resignations of a record 1,700 members of Lloyd's last year, prompted by issues such as fears of big losses from US liability insurance and the ero-sion of tax advantages of mem-

After a study begun at the end of 1987, the council decided

yesterday not to take any steps to scrap unlimited liability, which makes Lloyd's members liable for underwriting losses to the full extent of their per-sonal wealth sonal wealth

sonal wealth.

Mr Murray Lawrence, the market's chairman, said unlimited liability was "the unique feature" of Lloyd's which underpinned the financial security of its insurance policies.

cies.

The front-runner among schemes suggested by Lloyd's underwriting agents is a system called the Membere' Agents' Pooling Arrangement. Under this proposal underwriting agents would pool the total business capacity of the members whose affairs they manbusiness capacity of the mem-bers whose affairs they man-

The agent would then divide the capacity in the pool between a wide range of syndicates in the market, enabling even members with relatively modest financial resources to balance out investments in high and low risk types of

Peel pushes London Shop stake to 56% in swoop

By Paul Cheeseright, Property Correspondent

LONDON Shop's defence against a bostile 2308m bid from Peel Holdings, and its hopes of rescue by an unspecif-ied white knight, collapsed when Peel moved into the mar-ket for the third day running and pushed its stake up to 56

In a burst of buying yester-day morning Peel bought just over 20 per cent of the London Shop equity at 340p a share. But the bid will not be declared unconditional until after Peel's share purchases have been ver-ified by the new issues depart-

ment of Barclays Bank.

Eventual total control of
London Shop will change the
face of Peel. It will weld a portfolio of shop properties worth ing an Industrial property group with holdings worth, last March, £134m.

Taking into account the

expected uplift in the value of Peel's existing portfolio during its current financial year and adding the London Shop port-folio, the combined group would have at the end of next March a net asset value per share of around 400p.

This compares with a closing market price for Peel shares yesterday of 289p and a rights offer price of 300p last Decem-ber when the group sought to raise £121m to help finance the London Shop bid.

But completing the bid will raise Peel's debts to £300m and give the combined group a debt-equity ratio of 90 per cent.

Although Mr Peter Scott, the Peel managing director, stressed that the London Shop portfolio would not be broken up, he said there would be lim-ited disposals to reduce that

Nuclear partnership banks on small being beautiful

David Fishlock looks into the design of a 'passive' reactor Behind the Anglo-American hid for US backing for a new kind of nuclear reactor, announced yesterday, is a belief that a substantial international mar-

ket will open in the next decade for a smaller reactor with different safety characteristics from today's standard

units of about 1,000MW output.
This belief arises from
studies by both the US Electric
Power Research Institute and Power Research Institute and the International Atomic Energy Agency. The agency believes that if new markets are to open beyond those nations already using nuclear reactors, they will be for smaller units and preferable designs with new safety characteristics.

The US Department of Energy has invited bids by March for a "passive" reactor design: one which depends mainly on passive features such as natural convection to prevent expensions in an expension of the convention of the convent preveut overheating in an

emergency.

This design is expected to be inherently simpler (and therefore cheaper) and less reliant fore cheaper) and less reliant on human operators. Dr Brian Byre, director of the UK Atomic Energy Authority responsible for its research programmes, says it is not claimed to be safer but must meet different safety criteria from present-day reactors. Passive reactors are envis-

aged as smaller than today's

Navy. This experience includes factory assembly of the Navy's latest demonstration reactor,

standard units, with their rela-tive simplicity making them competitive with the bigger units. The aim of the study PWR2, now operating at Dounwould be to bring designs to the stage of certification by the US Nuclear Regulatory Comreay and destined for the Tri-dent submarines. Rolls-Royce and Associates

is a partnership between Rolls-Royce as majority share-holder and Babcock Energy mission, a process taking four or five years. The passive reactor offers Britain an opportunity to re-en-ter the international reactor part of FKI Babcock. For 30 years, it has been almost exclu-sively a defence consortium market in the next century. It lost access with its failure to providing the Navy with a "cradle-to-grave" nuclear engineering service for PWRs. produce a competitive design of gas-cooled reactor.

hearing service for PWRS.

It has been working for six months with the UK Atomic Energy Authority on SIR, its safe integral reactor, an advanced PWR concept. The essence of SIR is a single steel pressure vessel enveloping the entire nuclear steam supply system. Privatisation of Britain's electricity supply also opens domestic opportunities, pri-marily as competition for the prospective National Power Company which will inherit the present reactors. Power Generation, the distribution compenies and British Nuclear Fuels are all potential custom-ers for a small reactor design. BNFL expects the Ministry of Defence to require a new

All the high-pressure parts would be inside this vessel, which would be considerably taller than the pressure vessel for Sizewell B, even though at 300MW it would generate only a quarter of its power. production reactor for tritium and plutonium, to replace its present gas-cooled reactors. Several reactor vendors have proposed outline designs of

Dr Eyre says the partners envisage this nuclear package, some 80ft tall, being factory assembled and tested, then lowered complete into a under-ground silo, in this way, it may be possible to build a nuclear station in only 30 months. The realities of making a bid

for US government backing called for US partners.

'No' vote may scotch **AMP** life merger plan

By Nick Bunker

AUSTRALIAN Mutual Provident, the life insurer, could walk away from its plans for a merger with the UK's London Life if the UK com-

London Life if the UK company's 66,000 eligible policy-holders vote against the deal at a meeting on Jamary 27.

Mr Ian Salmon, general manager of AMP's international operations, said in London yesterday that the meeting "must be the last chance" for London Life's policyholders to approve the union.

He spoke after news that

the union.

He spoke after news that Equitable Life is ready to reopen merger talks with London Life if the forthcoming extraordinary general meeting votes against merging with AMP.

Mr Salmon dismissed Equita-

ble's intervention as an oppor-tunistic move and adding noth-ing to earlier merger proposals from the Equitable which would have involved scrapping London Life's sales force and branch network.

branch network.

"The timing is disruptive,"
Mr Salmon said. "The Equitable is waiting like a vulture to pick over the carcass. They presumably see some advantage in the removal of a competitor, and they have some use for a bigger investment base, but they don't have a lot of use for much else."

AMP is still keen to achieve

a merger, especially since it believes that in the long-term London Life will have to find a strong partner. It argues that AMP could add value to Lon-don Life by giving it an inter-national investment manage-

national investment management network and the resources to build up a UK property portfolio.
Senior officials at the Australian group are becoming exapperated, however, by the way the affair has dragged on amid persistent opposition from some dissident London Life policyholders.

The AMP is already musa-

The AMP is already pursuing other international expansion plans, and Mr Salmon flies to New York today for talks about a possible partnership with a US life insurer. AMP failed yesterday, how-ever, in an attempt to win over

Mr Julian Byng, the retired barrister leading the London Life dissidents.

Chemicals output growth 'will slow to half 1988 level'

GROWTH in output from Britain's chemical industry is likely to slow to 3 per cent over the next year, half the level for 1988, said a forecast yesterday from the UK Chemical Industries Association. Mr Richard Freeman, chair-

man of the association's fore-casting panel told a London conference that on this basis profits in the industry should show a further rise but be less satisfactory than in 1988.

About half of all chemicals

output, which is expected to be about £25hm in the UK over the next 12 months, is sold directly next 12 months, is sold directly
to other production industries,
making the sector's sales an
important indicator of the
strength of manufacturing generally. Big customers for chemicals include the vehicle, comsumer-goods and packaging
industries.

Mr Freeman, who is chief
economist at Imperial Chemical Industries, Britain's biggest
chemicals company, said the

chemicals company, said the outlook for 1989 followed two good years for the sector.

After a gloomy start to the

1980s when demand for many chemicals rose slowly, UK chemicals output picked up in 1987 by 9 per cent. The 6 per cent growth in chemicals production during

the past 12 months was better than virtually anyone had expected, said Mr Freeman. His panel forecast a year ago that the figure would be 2 per cant. The good performance during 1968 had been due to the better than anticipated production increases in manufacturing generally.

Mr Freeman said he expec-

generally.

Mr Freeman said he expected production of pharmacenticals, plastics and industrial organic chemicals to grow by more than 4 per cent in 1989, reflecting sustained demand.

Growth of 1.5 per cent to 2.5 per cent is forecast for inorganic materials, paints, coemetics and detergents, while fertilisers and fibres are likely to continue to be problem areas for the chemicals sector. Production of these materials is likely to stay rooted at 1988 levels over the coming year.

The sector is thought likely to sustain a healthy positive trade balance of about £2bn a year. That contrasts to a deficit

year. That contrasts to a defloit of more than filbn for the rest of manufacturing industry. Mr Freeman said that UK

chemical exports were likely to rise by 3.5 per cent in 1988, compared with 5 per cent in 1983. Imports were likely to grow by 4 per cent compared with 7 per cent.

Capel launches index trust using FT indices

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By Eric Short

JAMES CAPEL Unit Trust
Management, unit trust arm of
the James Capel Group, is
launching the first index unit
trusts to use the FT-Actuaries
World Indices as the tracking
World Indices as the tracking

The group is launching a Japanese index trust which will track the FT-A World Japan index and a European index trust that will track the FT-A World Europe excluding the UK index. Dr Namdar Mossaheb, head

of JC Quantitive Analysis, pointed out that although there were five separate indi-ces measuring movement in the Japanese stock market, including the Tokyo SE, the

He added that there were no problems with this index holding stocks which were not available to overseas investors. Indeed, the FT-Actuaries World indices were specifically designed to reflect the portfolio experiences of overseas inves-tors in a particular equity mar-

These new unit trusts will complement the existing Capel US index trust which tracks posite index of the 500 largest US stocks, launched last November.

EIB advances £80m to Barclays for British industrial ventures By William Dawkins in Brussels

small reactors with passive safety features, including Wes-tinghouse Electric and Asea-

Atom in Sweden.
In Britain, Rolls-Royce and
Associates has been seeking a

design which can also take

advantage of its experience in building 20 small pressurised

water reactors for the Royal

BARCLAYS BANK is being advanced Ecul23m (£80m) by the European Investment Bank for on-lending to British small and medium sized companies.

This is the first so-called EIB global loan negotiated with a UK clearing bank since 1985, when British demand for industrial lending from the European institution dried up after the Government's withdrawal of exchange rate cover for KIB loans.

The European bank is completing details of similar packone or possibly two more British banks. The funds are available for 15 years in a mixture of curren-cies and are designed to help industrial and service ven-

tures, including tourism projects in assisted areas. They are identified for projects that improve competitiveness through the introduction of new technology, said the EIB. Of the package, the equiva-lent of £50m comes from the EIB's own funds. The remaining £30m comes from the so-called New Community Instrument, whereby the Euro-

pean Commission uses its tri-ple A credit rating to borrow on the finest terms from the world capital markets and passes the cash to the EIB for ou-lending to financial intermediaries in member states. This smaller part of the package is reserved for assisted areas, but the EIB allows its

portion to help projects in any Under previous EIB global loans signed this decade, the EIB advanced £24m to 240 small and medium-sized UK businesses, of which £5m was

handled by Barclays.

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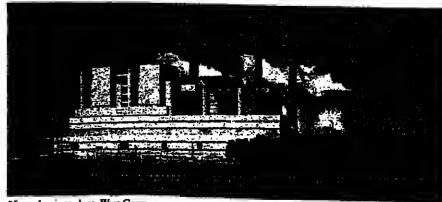
need today in industrial countries to upgrade and refur makes electric bish both conventional and nuclear power plants. In industrializing countries, we mostly participate in proj-

> ects that help build up the infrastructure. As the largest energy engineering company in the world, we have the resources to remain in the technological forefront and to develop even

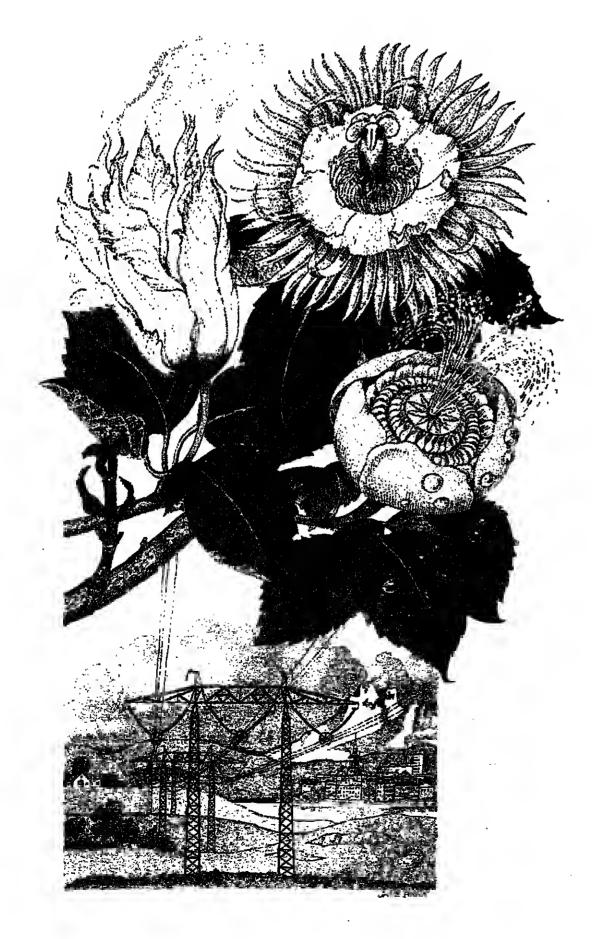
more cost-effective, energy-efficient and environmentally protective methods of supplying electric power. For example, take highly efficient combined cycle power plants. Or clean coal power plants based on a unique combustion technology. Or

advanced concepts for loss-reducing transmission of high voltage direct current. Or control systems to optimize the power flow in electrical networks and to improve availability of power supply.

Our century-old reputation for energy engineering continues to grow. And we are determined to make electric power flourish, on into the 21st century.







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Government will protect control of water groups

By Richard Evans and Andrew Hill

THE 10 water authorities in England and Wales are to be protected from takeover by a special Government sharehold-ing for five years after they are privatised later this year. Mr Nicholas Ridley, Environ-

ment Secretary, announcing the "golden share" in a House of Commons statement yesterday, also disclosed that special provisions had been made to monitor water company take-over show show

than £30m.
In any referral to the Monopolies and Mergers Commission, account would have to be taken of the danger that merg-ers would reduce comparative connectition.

Both provisions will be introduced as amendments to the Water Bill now in its line—by—line committee stage in the Commons, but the much stricter regulations on take—

overs will apply immediately. They will not apply to any hids already made, however.

Crucially, the takeover provisions will apply to the 29 statutory water companies as a feet to the 10 march learner. well as to the 10 much larger

privatised in November. The reason given by Mr Rid-ley for underlining the powers of the MMC was the need to avoid a concentration of water supply in too few hands. But the statement on merger

policy may have been prompted partly by the possi-bility of the first hostile bid for a statutory water company from a water authority. This could have forced the Govern-ment into more direct action.

Southern Water Authority has been considering counter-bids for three water companies in its area of supply after a court ruling which seemed to open up the possibility of takeovers by anthorities.

The Government will also

have had in mind the series of water company takeovers by three French water groups. Statutory water companies, which are already in the private sector, supply 25 per cent of the UK's water alongside the water authorities, which also deal with waste water.

In addition to Mr Ridley's statement, there was a surprise announcment from Mr Peter water authorities once they are Walker, Secretary for Wales,

that the golden share provision would include even tighter pro-tection for Welsh Water once it is privatised. The new regula-tions will mean that even at the end of the five-year period, shareholdings by a particular group would be limited to a maximum of 15 per cent and this protection only removed by a vote of 75 per cent of the shareholders.

The special deal follows political in-fighting within Whitehall culminating in a victory for Mr Walker. The water industry is a particularly emo-tive one in Wales and there have been anxieties about a potential takeover of the priva-

tised authority.
Mr John Cunningham, Opposition environment spokesman, condemned Mr Ridley's propos-als, which he said would not provide choice, competition or protection for water consumers. He believed the golden shares were designed to cosset

private sector monopolies.

The Opposition immediately quesied whether the statement was consistent with Commu-nity policy on competition and the free movement of capital.

is that the marger of the two companies' airline businesses, Orion and Britannia, gives

Thomson a substantial share of

the UK charter market and

scope to increase prices.

Mr Roger Davies, chief executive of Thomson, told the commission in evidence that about 100 of the 630 jobs at Orion Airways, Horizon's charter flight subsidiary, would be lost. There would also be some impact on staffing levels at

impact on staffing levels at

Thomson Travel Group and Horizon Travel Ltd, A report on

the merger situation. Cm 554.

Horizon, he said yesterday.

HMSO, £5.90.

day this week.

expand by raising capital on the stock market.

The flotation will probably be at the end of June. It will need the approval of 75 per

The vote will be the largest private ballot held in Britain

Sir Campbell yesterday ould not be drawn on the value of

free share issue to members By David Barchard

ABREY NATIONAL, yesterday unveiled details of the first stock market flotation by a British building society.

Abbey, the second largest UK building society, is making a free issue of shares to its

The flotation will differ

markedly from government privatisation operations and should prove a hig boost for the cause of wider share ownership in Britain.

Although some of the 5.5m eligible Abbey National members will also already be among the country's 9m pri-

by becoming a company it hoped to free itself from the constraints of building societ-

tage, Sir Campbell said, was the possibility of a hostile takeover, although the society would be protected against this for the first five years after flo-

cent of those voting, and at least 20 per cent of saving members must vote.

with most of the votes being cast by post from March 7 onwards. There will be a spe-cial general meeting on April

If the flotation is approved, each qualifying member will receive an identical number of shares - although members will be able to qualify twice if they are both savers and have Abbey National's 14,000 staff, other than directors, will have a further entitlement.

However, the potential gain that members receive will depend on the amount of new shares that they choose to buy.

and Philip Coggan

5.6m members who will then be invited to invest in a share issue aiming to raise more than Elbn

among the country's 9m private shareholders, the issue nevertheless should increase the number of individual shareholders by at least 2m to

Special share dealing arrangements will be set up to enable members to sell their shares if they wish and enable institutional investors to

Abbey said yesterday that it was discussing possible share dealing arrangements with three City of London institutions and hoped to be able to

Sir Campbell Adamson, the society's chairman, said that ies legislation and be able to

The only serious disadan-

the free share issue to individual members. Analysts in the City of London estimate that the maximum gain per mem-ber is likely to be around £280, and that the group will have a market capitalisation of about £2.55bn.

Lex, Page 22; Background, Page 23

Thomson bid for Horizon cleared

By Christopher Parkes, Consumer Industries Editor

THE £75m takeover of Horizon Holidays by Thomson Travel was given the all-clear yester day after a three-month investigation by the Monopolles and Mergers Commission.

The commission discounted claims by that is the travel

claims by rivals in the travel industry that Thomson, now a clear leader in the package holiday trade, charter airline and travel agency businesses, had plans for market domination.

"We do not believe that the merger will sufficiently reduce competition as to cause any adverse effects on price, choice

or standards of service in any of these sectors," it concluded. The market was expanding. and despite strong competition, there was a steady flow of new-comers into the holiday, char-

Guinness Peat Group – now GPG – complained to the High

Court in London yesterday that they had not been paid

21m due to them when the deal

fell through.

31 1987.

ter and travel agency busi-nesses. He said one area of concern

The commission replied to suggestions that Thomson had already tried to exert pressure on some travel agents by withholding supplies of brochures, by saying that such action would cause Thomson as much damage as the agents con-

"But, should Thomson attempt to abuse its position in this way, we believe there is sufficient scope for action under the Fair Trading Act or the Competition Act to safeguard competition," it added. Mr Keith Webber, marketing director of Redwing, which owns travel companies Sover-eign, Enterprise and Sun Med, said the merger could reduce

Still room for competition, Page 29 **Guinness Peat sued for £1m**

The seven, led by Mr Leslie Melville, former chief executive of Enskilda Securities, the Swedish-owned merchant bank, alleged that Guinness Peat had broken a legally binding agreement to pay them film compensation for loss of investment opportunity if the deal was not signed by October

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Guinness Peat was forced to abandon its plan to bring in the new team, mainly as a result of opposition from a

By Raymond Hughes, Law Courts Correspondent SEVEN MEN who were to have formed a new management team for Guinness Mahon, the merchant banking arm of

ness Peat over. GPG, which hived off Guinness Mahon in a demerger la summer, is opposing the film claim. It contends that there

In addition to Mr Melville the plaintiffs are Lord Euston, Mr William John Tyne, Lord Ramsey, Mr William Johnston, Mr Andrew Sells and Mr Andrew Stuttaford. Mr Patrick

The prospective new management team was approached after Guinness Mahon lost its two most senior executives to

major shareholder, the New British & Commonwealth in Zealand group Equiticorp, which subsequently took Guin-April,1987, and eight more top employees two months later. In their High Court claim the

was no legally binding agree-ment to make the payment and that any purported agreement to do so had been made withagreement to pay the team £1m

Moorsom, the eighth member of the team, is not suing.

Winter Celebration

seven are relying on a letter written on August 19 1987, to each of the Melville team by Mr Michael Kerr-Dineen, then Guinness Peat's chief executive. The letter said that the

> was legally binding.
> In its defence GPG asserts
> that Mr Kerr-Dineen had no
> anthority to bind Guinness
> Peat in the terms of the letter or at all.

GPG also contends that any purported agreement binding Guinness Peat to make the payment "was tantamount to a wholly unjustifiable and gratuitous disposal of Guinness Peat's assets."
The hearing continues.

Mr Loic Caperan, managing director of Renault UK for the past 2½ years, is returning to Paris to become commercial Mr Caperan is succeeding Mr irector of Renault France, Guy Bergaud, 43, who has been promoted to marketing director of Enault France. director of Renault France, writes John Griffiths. Appointment in 4 FLIGHTS PER DAY MON-FRI LONDON CITY AIRPORT,

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Abbey plans M1 crash investigators turn spotlight on engines' electrics

Causes of the disaster remain uncertain, writes Michael Donne

ESTERDAY'S recom-Cockpit of Boeing 737-400 mendation from inves-tigators into the British Midland 737-400 crash that there should be more frequent inspections of CFM-56-3 engines indicates that they are still uncertain precisely what went wrong.
The investigators, from the
Department of Transport's Air
Accidents investigation Branch, recommended to the Civil Aviation Authority that

such inspections were desirable "until the causes of the engine failure(s) are estab-They also suggested that the CAA ordered examinations of "fire/overbeat and vibration monitoring circuitry for left/ right engine sense" on not only 737-400 jets, but also earlier 737-300 sircraft. The latter also

use CFM-56-3 engines.
The investigators said evidence now obtained "Indicated that both No 1 (port, or left) and No 2 (starboard, or right)

engines might have suffered a related failure." That is the strongest indication yet that the investigating team is leaning towards the theory of a serious mainmetion of the electronic systems of the aircraft, affecting both engines. This could have misled the captain and co-pilot into shutting down an engine which was functioning normally. First studies indicated there was a fire in the port engine, but no evidence of fire or

mechanical damage in the starboard engine.

It was the right engine the captain shut down after getting a fire warning on his instrument panel, although passengers reported seeing fire

in the left engine.

One of the investigators, said that "the pilot had an engine fire, and the reason the aircraft crashed was because he ended up with the left engine on fire with virtually zero thrust, and the right engine shut down." The investigators said that the reasons for the shut-down of the starboard engine were "not yet clear" and still under inves0 0 00

EXTINGUISHERS: 1.Port engine A.Auxiliary power 2.Starboard engine

(B)

They said that "a great deal of significant evidence relating to this engine has yet to be obtained, in particular that from detailed examination of

the engine, its warning systems, and detailed evidence from the two pilots."

Pending this, they consid-ered it desirable that the additional safety checks now recommended should be implemented immediately, while stressing the need to keep an open mind because of the lack of evidence.

Thus, the possibility of human error has still not been ruled out – that the crew misread the warning signals, and shut down an engine that was working normally.

However, the theory gaining strength is that the cause of

the crash could lie in the aircraft's electronic systems - that a fire warning was wrongly generated in an engine which had nothing wrong with it, perhaps even triggered by a real fire in the other engine which was not registered on the instruments. There seems little doubt that the crew did receive a fire

the instrument panel, accom-panied by a ringing bell – and that they carried out the extin-guishing drill. This requires the crew to check three red levers on a panel close to their hands and in front of the engine throttles, to see which one is lit, indicating where the fire is. These levers control the fire extinguishers, one for each engine and the other for the auxiliary power unit.

One pilot performs the actions, monitored by the other. These involve closing the throttle on the affected engine or on the auxiliary power unit; cutting its fuel supply with a separate switch; pulling the illuminated red lever to isolate that engine from the aircraft's electrical system, and then twisting that same lever to activate the fire extinguisher. The drill is gone through a second time to ensure that it has been con-

ducted properly.
It is because the chances of human error in such a system are thus reduced to a minimum that so much attention is being concentrated on the possibilities of some electronic warning - a flashing light on system malfunction.

In Brief Bomb on Lockerbie jet officially confirmed

A baggage container on the Pan Am jumbo jet which crashed on Lockerbie, Scotland last month with the loss of 270 last month with the loss of 270 lives, "showed conclusive evidence of a detonating high explosive," according to the first official description of the crash published yesterday, writes Lynton McLain.

The special interim bulletin of the Air Accidents Investigation Branch of the Department

tion Branch of the Department of Transport, said explosive residues were positively identi-fied and consistent with the use of a high performance plas-

tic explosive.
Other evidence collected by the AAIB "led to the preliminary conclusion that the explosion took place ... while in the cruise at 31,000 feet and this led directly to the destruction of the aircraft."

UK-Italy crime pact UK Home Secretary Douglas Hurd and Italian Interior Minister Antonio Gava signed an agreement to step up joint action against terrorism, organised crime and drug traf-ficking which will include improved security at airports.

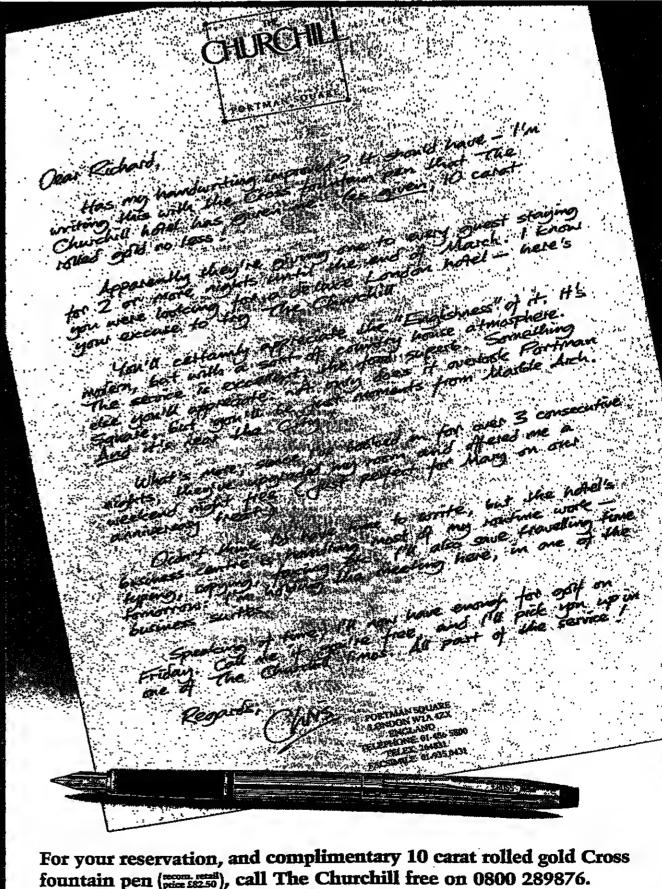
House rises stall House prices rose by just 1 per cent in December 1988 after a rise of 1.7 per cent the pre-ceding month, the Halifax Building Society said.

Yale and Valor chief Yale and Valor, locks and

domestic appliances group, is to appoint Mr Jeoff Samson, bead of the General Electric Company's Hotpoint division, as group managing director. **Body Shop prize**

Ms Anita Roddick, managing director of Body Shop, the "natural" cosmetics and toilet-

ries chain, has been voted retailer of the year for 1989 in a poll of fellow retailers.



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this Blue Chip Company, an established market standing technological acidevenient, the exploration and development of their oil and gas fields demandheavy investment and the Company's oil und to asset base now exceeds £2 billion. Recent growth is the result of an ambitious acquisition programme demon-strating tough commercial decision-making an 1 sound

Their highly protessional team are commuted to continued growth and opportunities now exist to ambitious accountants to play a vital part in this challenging environment.

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interesting post. Previous results experience is no essential bor you should have some accounting to persence, preferably in an off-company environment.

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mulual growth of trade and achievement of corporate objectives. You will also be expected to make a major contribution to the strolegic development of third party business and to implement the financial and commercial aspects of this skalegy. You must possess an understanding of the financial structure and

organisation of small businesses and are likely to have had broad-based financial and management experience. You will probably be a qualified accountant in your early to mid thirties and a commercial awareness of sales and marketing activities would be an advantage. Relevant experience could have

been gained within a business services unit of a major firm of accountants, There are excellent prospects for career development within the company and its parent. Résumés, with daytime telephone. number and current salary, should be sent to Peter Jones, Coopers and Lybrand Executive Resourcing Limited, Abacus Court, 6 Minshull Street, Monchester, M1 3ED, Bell P162.

Executive



FINANCIAL TIMES THURSDAY JANUARY 12 1989

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West Midlands,

To \$45,000, Share Options, Car

The group is the UK's leading independent cabla television operator with an unrivalled reputation for providing quality of product and service, to domestic and business subscribers. It has recently been awarded a new franchise which is the second largest in Europe. With the financial backing secured and work on an eight year construction programma due to begin in April, this newly created role is seen as vital in ensuring the successful formation of the franchise operating company. Reporting to the managing director, you will provide the financial expertise required, not only in the formation of the new company, but also in all negotiations with contractors, suppliers, officials and associated bodias. Responsibilities will include direction of all finance and accounting matters, strategy, planning and budgeting. An early priority will be the installation of the computerised accounting and subscriber billing system. The initial briaf howaver, will also encompass wide ranging responsibilities outside of the traditional financial parameters. A qualified accountant, aged 35-45, you must have achieved a senior finance position, ideally in a service industry. Your career will have been with significant companies where first class business disciplines applied. Product quality and customer service remain the key to success and experience in an environment with similar values is essential. Prospects are excellent for ambitious, committed individuals, who wish to further their careers significantly.

C. Lenkins Hoppert Reverse vice George V. Place 4. Therese A vegets.

C. Jenkins, Hoggett Bowers plc, George V Place, 4 Themes Avenue, WINDSOR, SL4 1QP, 0753-850851, Fax: 0753-853339. Ref: W19013/FT.

Group Financial Controller

Building Services

c £35,000, Share Options, Car

South West England, South West England, c£35,000, Share Options, Car This is a first class career opportunity to make a positiva contribution to the growth, development and profitability of a well established private company. The company is already a UK market leader and turnover is expected to hit £100 million by the and of 1990. Running a head office team of 25, your main responsibilities will include the day to day control of the finance function ensuring procedures and reporting requirements are met. Special amphasis is being placed on the development of strong financial controls and the implementation of a new computer system. Candidates, aged 30 to 40, will be chartered accountants with a proven track record of achievement in financial control and systems development. Inter-personal and communication skills will have to be of the highest order.

K. Townrow, Hoggett Bowers plc, 30 Queen Square,
BRISTOL, BS1 4ND, 0272-298433, Fax: 0272-279714. Ref. D11079/FT.

Group Corporate Planner

Television And Communications

Thames Valley, To £35,000, Share Options, Car Thames Valley, To £35,000, Share Options, Car The group is the UK's largest and most successful independent cable television operator with two franchises, including the second largest in Europe. Further significant expansion of its cable television and telecommunications operation is planned for well into the next decade. Reporting to the managing director, you will be part of a specialised team, which includes several prominent individuals from within the cable industry, whose task is to win new franchises for the group. This high profile role involves negotiations at the most senior levels of management on all issues relating to corporate planning. An early priority will be to upgrade the financial modelling system which is a key element of the franchise applications. Aged 28-35, MBA qualified and with sophisticated financial experience, you will have a proven track record in corporate planning and finance. You must have a thorough understanding of, and an interest in, computerised financial modelling. This is a superb role for an ambitious and dynamic individual, who wishes to play a key role with one of the most repidly expanding companies in the cable industry.

C. Jenkins, Hoggett Bowers plc. George V Place, 4 Thames Avanue, WINDSOR, SLA 1QP, 0753-850851, Fax: 0753-853339. Ref. W19014/FT.

Financial Director

Capital Equipment Manufacture

East Midianas.

c £35,000, Car East Midlands,

C £35,000, Car

This £75 million subsidiary of a progressive UK group is an acknowledged world leader in the design and manufacture of automated capital equipment, supplied to an international customer basa. Responsibility is for the total financial management of a network of multisite businesses, assisted by a professional team numbering 30 in total, covering computerised financial and management accounting, budgetary control and treasury management. Additionally, working closely with the managing director, you will be extensively involved in the commercial and strategic development of the core businesses Qualified accountants, aged over 30 will be finance professionals capabla of both operational management and strategic impact at the highest level, who have extensive manufacturing based experience of computerised accounting systems. Prospects beyond this initial role are outstanding.

K.H. Thompson, Hoggett Bowers plc, Castla House, 74 St. James's Street, NOTTINGHAM, NG2 6F1, 0602-412019, Fax: 0602-474819. Ref. N13077/FT.

Divisional Finance Directors

South Coast And M4 Corridor.

£32-£35,000, Bonus, Share Options, Car

Successful growth and expansion have created vacancies in two divisions of Meggitt, a fast growing plc with interests across a broad range of advanced engineering products. Both divisions, £80m turnover in the M4 corridor and £30m on the South Coast, operate in the foreiront of their technological fields; both have companies in the UK and Western Europe with the larger division also active in the USA. Both roles are similar in that you will be reporting to the divisional managing director and heavily involved in the growth, both organically and by acquisition, of the division. Key activities will include strategic input at divisional board level and day to day advice, support and guidance for a significant number of companies based at home and overseas. To succeed in this challenging environment you will need to be a pro-active chartered accountant, strong in both character and intellect. Future career prospects in this dynamic group are excellent.

K. Townrow, Hoggett Bewers plc, 30 Queen Square,
BRISTOL, BS1 4ND, 0272-296433, Fax: 0272-279714. Ref. D1 1078/FT. Successful growth and expansion have created vacancies in two divisions

Financial Controller

Consumer Durables East Anglia,

The company, a subsidiary of a major British engineering group, distributes the spare parts of the parent company's consumer durables to several thousand small and medium sized businesses throughout the country. This profitable business, which operates in an increasingly dynamic trading anvironment has a growing turnover of £5m. There are 100 employees based at head office and several distribution centres throughout the country. Applicants, who must be qualified accountants, will be responsible for the provision and interpretation of financial management accounting information. Of key importance is the shility to utilize computer information systems. Age need not be a ruling factor, but commercial awareness, creativity and the ability to help develop a growing business is of key importance. Reporting and working very closely with the managing director this position should lead to a directorship in due course and overall opportunities within the group are outstanding. The normal fringe benefits package is offered, plus car and assistance where appropriate to this extremely attractive location.

M. Stein, Hoggett Bowers plc, 1/2 Hanover Street,

LONDON, WIR 9WB, 01-734 6852, Fex: 01-734 3738. Ref. H17052/FT.

These positions are open to made or female candidates. Places telephone for a Personal History Form to the relevant effice, quality the appropriate rel

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WINDSOR A Member of Blue Arrow plc

APPOINTMENTS ADVERTISING

For further information call 01-248 8000

Candida Raymond ext 3351 Elizabeth Rowan ext 3456

Deirdre McCarthy ext 4177 Patrick Williams ext 3694

Paul Maraviglia ext 4676 Patrick Sherriff ext 462

BUSINESS DEVELOPMENT EXECUTIVE

UK RETAIL GROUP

N Home Counties

c£35.000 + car

This dynamic and progressive retail group continues to strengthen its leading position by both enhancing and expanding its portfolio of first class retail businesses, each clearly distinguished and targeted.

To meet the challenges of this highly competitive and fast moving sector, there is a requirement for a key individual to make an effective contribution to business

Reporting at board level you will be responsible for initiating and successfully completing a wide range of business projects. Specific areas of involvement will include store development, space utilisation and

product line performance. In short, all issues which are critical to achieve maximum profitability.

An assertive and enterprising individual, you will need to display an energetic and mature approach in order to command respect from diverse user groups. First rate interpersonal skills are essential due to the high profile nature of the role.

Aged 27-35 with broad commercial experience, you should possess the determination and resilience to perform within this challenging environment.

Interested applicants should contact James Hyde on 01-437 0464 or write enclosing a detailed CV to the address below.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS ie i Leicester Place London WC2H 7BI Telephone: 01-437 0464



Finance Manager

Sussex

c£30,000 plus car

As a result of acquisition, this already well established supplier to the automotive industry is experiencing a revitalisation and is poised for considerable growth and development. It is now part of a major European Group which has already developed a comprehensive, profitable and respected visibility in a number of competitive business sectors. The current opportunity is for a qualified accountant to help lead these exciting moves forward based at the commercial and manufacturing centre in Southern England.

Probably aged between 35 and 49, applicants should not only have had previous practical involvement in the financial management of a company supplying competitive products under contractual obligations, but also the commercial flair, negotiating skills and ability to manage the change that will be part of this demanding yet rewarding role.

If attracted to this challenge, please send full career and personal details to John Overton FCA, Managing Director, Bernard Hodes Overton, 8 Dorset Square, London NWI 6PU or telephone 01-706 4911 for an application form quoting reference 12/1136.

BERNARD HODES OVERTON

AN

Financial Controller

£25-35,000 plus car, travel concessions etc

London

Our client, Abercrombie & Kent Ltd, one of the A&K Group of companies, is an internationally known and exclusive travel agency. Through natural growth, business has expanded rapidly and profitably over recent years, and there are plans to continue to develop this niche market.

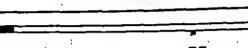
The post of Financial Controller entells responsibility for all the accounting, data processing, administrative and personnel aspects of the company's business. There is a particular current need to improve systems. There will be, of course, an involvement in the commercial decisions of the

Candidates should be qualified accountants probably aged between 25 to 35, and possess experience of the travel trade or related business such as hotels or airlines. Some management experience is an essential requirement, as is perience of computerised accounting systems. Above all, wever, applicants must have a practical hands-on approach and be prepared to carry out a wide variety of

Remuneration will reflect experience and formal appoint to the Board is expected after about two years.

Please write, in confidence, enclosing your curriculum vital including current salary and daytime telephone number, quoting reference A2032 to Michael Ping, Grant Thornton Management Consultants Limited, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP.

Grant Thornton



Group Financial Controller

C £35K + Car & Benefits City

We are one of the leading international fund management groups with over £4.5bn under management, and are seeking to appoint a Group Financial Controller. Reporting to the Group Finance Director, your responsibilities will encompass:

☐ Financial accounting policy & practice. ☐ Tax planning. ☐ Monitoring Group performance.

□ Treasuru Management.

To meet this demanding role, you're a qualified A.C.A., probably aged 30-38. Behind you there's a sound career working at the centre of an international company preferably in Financial Services, where you have had similar responsibilities, or are ready for promotion to this level.

If you meet our requirements please apply with CV to Colin Campbell, Director of Personnel, Gartmore Investment Ltd, Gartmore House, P.O. Box 65, 16-18 Monument St, London EC3R 8QQ.

jartmore

APPOINTMENTS ADVERTISING

For further information call 01-248 8000

Candida Raymond ext 3351

Patrick Williams ext 3694

Deirdre McCarthy ext 4177

Paul Maraviolia axt 4676

Elizabeth Rowan ext 3456 Patrick Sherriff ext 4627

reasurer

Nottingham £ Negotiable + Car + Benefits

The privatisation of the Electricity Supply Industry in 1990 will offer challenging and exciting opportunities for staff at East Midlands Electricity. In preparation for privatisation East Midlands Electricity:

wishes to appoint a Treasurer to head its treasury Reporting to the Financial Director this is a key role in the development of an organisation with an annual turnover

in excess of £1 billion. Responsibilities will include cash management, implementing creasury systems, forecasting funds requirements, interest rate risk management and advising on

the Treasury aspects of corporate strategy.
You will preferably be aged 30-35 with broad financial experience and at least three years treasury experience in a medium/large organisation.

Experience in negotiating with financial institutions is

You will be a business graduate or qualified accountant. You must be capable of innovative thought with strong interpersonal skills and a confident manner. Salary is

negotiable depending on age and experience. Relocation assistance will be provided where appropriate.

Interested applicants should write, in the first instance, enclosing current CV and present salary to:

Mr. J. F. Harris, Chairman, 398 Coppice Road, Arnold, Nottingham NG5 7HX.

East Midlands Flectricitu

FINANCIAL DIRECTOR Essex. £40,000 package + executive car

We are a highly profitable and expanding privately owned Distribution Company with a turnover in the region of £20 million. We are seeking to appoint a dynamic, tough and ambitious Finance Director as a No.2 to our Chairman/Managing Director who will be able to demonstrate a high level of technical ability backed by the commercial awareness to make an early contribution to the continued development of the Company. The right individual will be a qualified accountant, aged 28-35, have a well developed by the contribution of the continued development of the Company. and sound interpersonal and communication skills to compliment our entrepreneurial Chairman/Managing Director. Your main strengths must include leadership, communication and the ability to determine commercial priorities. In addition to the usual benefits, the rewards for success in this post will be equity participation and top league remuneration.

Should this appear to be the opportunity you now feel ready for, which will not only capitalise on your professional expertise and personal attributes, but provide a challenge rarely found, please forward full CV and passport sized photo to

Write Box A1097, Financial Times, 10 Cannon Street. London EC4P 4BY

Mergers And Acquisitions -Assistant Vice President

City Of London; American Investment Bank c £30,000, Car And **Banking Benefits**

merchant banking operation of a prestigious New York based money centre bank. Reporting to a managing director, the successful candidate will be responsible for listsing with officers throughout the bank's substantial European and North American network to develop business with clients involved in cross border acquisitions and divestments. Aged mid 20's to early 30s, a graduate and/or qualified acco you will have at least two years M & A experience in a merchant bank or the treasury of a major public company. An analytical commercially aware mind with a demonstrable familiarity with European economic affairs is essential. Computer literacy will be a significant advantage. For an articulate, self motivated individual the position offers a transendous career opportunity to undertake business development responsibilities limited only by your own ability.

This is an exciting new position with the

Male or female candidates should submit in confidence a comprehensiva c.v. or telephone for a Personal History Form to, J. Mallin, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB, 01-734 6852, Fax: 01-734 3738, quoting Ref: H28002/FT.

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WINDSOR A Member of Blue Arrow plc

FINANCIAL CONTROLLER

CENTRAL LONDON

£27,000 + CAR + BONUS PUBLISHING SURSIDIARY of a "house-hold" name parent company have gained a higher profile and a greater degree of freedom after a recent internal review of group operations. Itse in turn has hed to the need to appoint a new Financial Controller who will be able to appoint a new Financial Controller who will be able to apparate in an autonomous rate reporting to the Group Financial Director.

The position requires a number of key attributes — primarily the ability to guide a large accounts department through what is effectively a culture change, whilst maintaining and ultimately improving the quality of work produced. The Financial Controller will also be expected to produce a complete financial and management information business support service, with particular emphasis on monitoring of profitability and return on capital.

The organisation has a high quality portfolio of magazines and views growth as occurring both within this portfolio and also by addition of further titles. The position should sustain the interest of a young professionally qualified candidate (ideally with some knowledge of publishing) whilst prospects within the group are excellent in the

Interested candidates should a C.V. to Garden Managemery or call for further information. Telephone 01-629 8863 Fax 01-408 0961



RECRUITMENT CONSULTANTS BOND HOUSE, 19-20 WOODSTOCK ST, LONDON WIR THE TALL OF 4229 8843

FINANCIAL CONTROLLER c. £25,000 + Car + Benefits

We are the leading ferry operator to the Channel Islands and seek a Financial Controller with responsibility for financial systems and management accounting. The position reports directly to the Managing Director.

Applicants should be qualified accountants with a commercial outlook and have experience in a management role. Familiarity with microcomputer modelling techniques in essential and a knowledge of the travel industry would be an advantage.

Applications in writing, enclosing a C.V.

Mrs D Hall, Personnel Dept., Fairfield House, Kingston Crescent, Portsmouth PO2 8AA.

FINANCE MANAGER C £21K - CHESTER

We are looking for a qualified or part-qualified Accountant (CIPFA, CIMA or CICA) to take up the high-profile position of Finance Manager in our Senior Management team. Based in the historic City of Chester, this post offers a benefits package including company pension, relocation expenses and performance bonus.

Responsibilities include managing the accounting systems of a regional unit of a National distribution organisation. The unit has 1900 employees and an ennual turnover of £22m. The successful candidate will have a special blend of Accountancy and Management Skills and will be in charge of a team of about 25 staff.

if you have the foresight, organisation, and determination to meet this challenging post, send you CV to Sue Daie at PO Box 150 Chester CH1 3QH by 15 January 1989. We ere an equal opportunities employer.

TREASURER

applications are invited for this challenging new post in an international Private Group of Companies, with an annual turnover in excess of 250 million, dealing in multi currencies within Europe, the Far East and the

The key requirements of the brief will be: developments and management of a hedging atrategy

management of cash investigation and management of other

investment opportunities

Proven relavant experience is sought.

The post will be based in Kent and, in addition to assistance with relocation if appropriate, an excellent salary and benefits package will be offered.

Please send full career details to: Box A1162, Financial Times, 10 Cannon Street, London ECAP 4BY Ellen ARL

1-1-5-

Opportunity for a CHIEF ACCOUNTANT For a New LLOYD'S BROKER Circa £40,000 pa+benefits

Our client is in the process of becoming a Lloyd's Broker and an opportunity has arisen for the newly created post of Chief Accountant to join the company at this early stage of its development. Projected premium income that it will place in its first year as a Lloyd's Broker will be in the region of US\$40 and the new company is soundly financed by a successful US Broking House.

The Chief Accountant will report to the UK based Managing Director and will probably be a qualified Chartered Accountant aged between 35 and 50 and must have good recent experience in a Lloyd's Broker. Responsibilities will include, setting up a new fully computerised system incorporating all aspects of financial and technical accounting, statistics and secretarial duties. The successful candidate will work in close support with the board in planning the future growth of the company.

Please write in strictest confidence, enclosing full details of career to date to: Stuart Rochester

246 Bishopsgate London EC2M 4PB



FINANCIAL CONTROLLER

FAR EAST REGION £40K PACKAGE SHARE OPTIONS, CAR, LONDON BASE

Inchcape, the international services and marketing group, operates in more than 60 countries, acting for internationally known manufacturers' products and technologies and providing skilled specialist services worldwide. The Group's core strategic businesses are in three main areas: Services, Marketing and Distribution and Resources and range from Buying Services and Motors through to Inspection and Testing.

The success of the Group in recent years is due in no small part to having first class financial and commercial management. A promotion has created the need for a qualified accountant to take responsibility for a business sector based in Hong Kong and covering the Pacific Basin. Reporting to the Director, Group Financial Control, you will provide a full primary financial and commercial service to senior Group management and work with, and support, unit financial management in the field. Effective budgetary and financial control, critical review of acquisitions, capital investments and disposals, improvement of internal controls and support of strategic planning are the key responsibilities of this role.

Based in the new West End Head Offices, with extensive travel to the region, you will be professionally qualified and have held both line and staff positions in a major multinational organisation, preferably with Far East experience. In your mid 30's, you must be able to deal with a variety of financial and commercial issues across a wide spectrum of management and be ambitious for an international career. Interested applicants please write, in the strictest confidence, with full career details to our consultants at:

Madar UK Limited, 2 The Courtyard, Smith Street, London SW3 4EE.

Inchcape

SMULTI-BILLION RETAIL LEISURE GROUP

FINANCIAL CONTROLLERS

£28-35,000 + Executive Car

London & South East

This highly acquisitive British group enjoys world dominating status across a broad range of leisure and retail markets. Operating autonomously within the group, our client is a major player in the food services sector. They currently boast a highly profitable turnover in excess of \$150 million and the future holds even greater excitement as over the next 3 years the division plans to double the number of their nationwide outlets.

The Food Services division seeks 3 qualified accountants to join management teams, at both regional and divisional controller level and to take responsibility for the commercial success of key operations. Reporting to the Commercial Director, these roles will involve a high degree of line management responsibility, concentrating on issues as diverse as:

☐ Business Analysis
☐ Strategic and Busine

 \square New product appraisals and pricing studies \square investment appraisal

These roles will demand a high level of commercial acumen, creativity and drive. It is expected that the successful candidates will be aged between 25-34.

Prospects for career progression are virtually unlimited in view of the group's growth, and the salary package is complemented by a full range of large company benefits.

Please write in confidence, enclosing a full CV, quoting ref A234 to Julia Church at Mervyn Hughes International Limited, Management Recruitment Consultants, 63 Mansell Street, London E1 8AN. Tel: 01-488 4114.

Financial Director Designate

S. Home Counties

Our client is e highly successful and profitable company which operates in the service sector and is a subsidiary of a major plc. It has a range of activities and is looking to grow significantly both organically and by acquisition. They now need an experienced financial manager to join the management team and contribute to the company's development.

The position will report to the Managing Director and carry full responsibility for optimising the company's financial performance. This will involve the development and implementation of

c.£40.000 + car

financial plans and strategies, the maintenance of tight financial controls and the management of substantial accounts

Candidates must be qualified accountants with a successful track record of financial management, ideally in the service sector. The ideal candidate will have a strong presence and excellent communications skills together with a high degree of commercial acumen and computer literacy.

Please write enclosing full career details to Jane Woodward at the address below quoting ref SHA.1232.



Stoy Hayward Associates

Management consultants, executive selection division, 8 baker street, london w1m 1da

INTERNATIONAL ENTERTAINMENT

Our international client kone of the foremast names in the world of entertainment with an annual turnover in excess of \$800 million. They are currently involved in developing new exciting projects both within the UK and many of the 29 other countries in which they operate.

A high-profile company with an impressive track record. they are currently seeking to recruit a Finance Manager to work within their international Headquarters based in

In addition to the supervision of o small HQ Accounts Department and the Control of the Group Stating position, emphasis is placed on the involvement in ad hac project-based work to assist the Group Treasurer in his activities worldwide.

An accountant, with 2-3 years' sound post qualified experience, you will passess first class interpersonal sides and a flexible and enthusiastic approach to work. There's an attractive package which will include fully expensed car, medical insurance cover and company pension scheme.

Pieces apply in confidence, enclosing tall CV and dayline telephone number to Loraine Lee, MHO Recultment Advertising, 50 Benvick Street.



NORTHUMBRIA

Group Financial Controller Newcastle upon Tyne - Package Negotiable circa £25k+

Proudmutual Limited, formed in 1987, is a rapidly growing and successful Transport Holding Company,

Further growth is expected in 1989 and a Group Financial Controller with Board potential is now required to be responsible for the finance function of

Reporting to the main Board through the Group Finance Director, the successful candidate will be a good manager and have "hands on" experience of

consolidation work, together with a knowledge of accounting for acquisitions, disposals and mergers.

Career potential is excellent and geographic mobility will enhance the prospect of a Board

The remuneration package will include the usual large company benefits and initially be negotiable circa £25,000+. Equity will be made available on a performance related basis.

and aged 25-35, should forward full C.V. by 16th

Candidates who must be qualified ACA or ACCA

based in Newcastle upon Tyne.

appointment within two years.

January 1989, to:-

operating subsidiaries at Group level.

CORPORATE FINANCE MANAGER

groups. The group is composed of e number of specialist companies operating in the world markets and in recent years has substantielly broadened its epread of Interests, principally by acquisition in the USA.

Corporate Finance Manager will be involved in

the enalysis of competitors' financial performance.

The position reports directly to the Group Finance Director but involves contact with other senior executives within the group. It elso involves reguler contact with a wide range of externel edvisors.

- corporate investigation/speciel assignment work with an international accounting firm;

corporate finence work with e merchant bank.

The job will be based et our Head Office in Edinburgh. The appointment offers an excellent salary, company car and other executive benefits. To apply please write giving full personal and career details to:

> William A Simpson Dawson Internation PLC 9 Charlotte Square EDINBURGH

DAWSON INTERNATIONAL PLC

This is e senior position with one of the UK's most successful textile

- evaluating and effecting corporate ecquisitions, including the arrangement of related finance, and disposals;
- ad hoc strategic projects;

The person we seek is likely to be aged between 27 end 32 end will be e quelified accountant with experience et e managerial level in:

Director Human Resources

KPMG Peat Marwick McLintock **CORPORATE TAX SPECIALIST**

BRADFORD Chartered Accountants with a passion for excellence are offered a uniquely stimulating environment and every encouragement to realize their full potential within the tax department of a progressive international

As a key member of an expanding and thriving department you will develop your skills as a corporate tax specialist, handling a varied portfolio of clients—from large family groups to PLCs. Attractive package including assistance towards ATII where necessary.

SPOTLIGHT ON SALFORD QUAYS!

Come and meet the team from Accountancy Personnel's Attrincham Office at their New Year's CAREERS FAIR in the luxurious surroundings of the prestigious:—

CUPPERS QUAY SALFORD QUAYS MANCHESTER

Accountancy Personnel on 08: 926-8605.

on Thursday 19th January 1989. Why not come along any time between 12pm-8pm for free and confidential advice on the latest career opportunities and current salary trends.



Placing Accountants First

Financial Director

West Midlands, £35,000, Car, Bonus Federal Express Systemline is part of the Federal Express Corporation, which is a market leader in the provision of time sensitive delivery services on a world-wide

Systemline is itself now recognised as a by being able to provide tailor made operational solutions to suit the customer needs, by the use of the very latest technology and through the commitment of our recode.

A talented professional is now being sought to join the company. As a key member of the management team, reporting to the managing director, you will assume responsibility for all aspects of finance and administration. This will include the control of accounting reporting, budgeting, forecasting, co-ordinating business plans and the development of comprehensive managamant information systams

throughout the company.

The ideal candidate will be a well-qualified. accountant aged preferably 35-45 with at least five years experience of working in a multi-site environment within a large group at the level of financial controller or above, at the level of imancial controller or above, ideally in the service industry. To succeed in this high profile role it is essential to have well developed personnel skills, be committed and self-motivated. The attractive package of benefits include an executive car, boms schame, non-contributory pension, BUPA and relocation assistance where appropriate.

Male or famale candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to, G.J. Daakin, Hoggatt Bowers plc, 13 Fradarick Road, Edgbaston, BIRMINGHAM, B15 1/D, 021-455 7575, Fax: 021-454 2338, quoting Ref. B18025/FT.

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WINDSOR A Mamber of Blue Arrow plc

SALES EXECUTIVE FRANKFURT

An Advertisement Sales Executive is required for the Financial Times Frankfurt based Advertisement Sales Team. Previous advertising experience is not as necessary as a broad knowledge of German commerce and industry. Fluency in English and German is essential. Salary will be negotiable. Applications in English (or German) accompanied by a curriculum vitae should be forwarded to:

EDWARD HUGO F.T. (Germany Advertising) Limited Guiollettstrasse 54, D. 6000 Frankfurt am Main 1, Federal Republic of Germany

FINANCIAL TIMES

Mr. D. S. Simon Group Finance Director, Prondmuttal Limited, 6 Portland Terrace, Jesmond, Newcastle upon Tyne NEZ 1QQ Kentish bus & coach

Choice of locations c.£26,000 plus car

organisations with international reputations, a combined turnover of £90 million p.a. and 4,000 staff, are forming a joint internal audit unit.

This is a unique and exciting opportunity for a pioneering auditor to develop audit services, to promote the value of internal audit and contribute to the effective use of resources within each

Reporting at Finance Director level you will be a self-motivated, enthusiastic professional with the experience, commitment and leadership skills needed to head this influential unit.

This post is as challenging as it is unique and offers tremendous scope and

flexibility; it features a choice of one of three attractive, convenient locations and you may be based at either the City of London, Colchester (Essex), or West London.

A generous salary, company car, excellent holiday entitlement, contributory pension scheme and good sports and recreational facilities are also offered.

For further information contact Bob Gunning at Austin Knight Selection, 20 Soho Square, London WIA 1DS. Tel: 01-437 9261 (01-256 6925 evenings/ weekends). Please quote ref: 815/JRG/89.

> Austin Knight

Internal Auditor (Europe)

Stanmore, Middlesex

AMP Incorporated, the world's acknowledged leading producer of electrical/electronic connectors and interconnection systems has 28 subsidiaries and branches worldwide.

We now require an Internal Auditor to perform operational and financial andits of the European subsidiaries, although it is envisaged that the successful candidate may occasionally become involved in the Far East, Latin America and the USA.

Based at pleasant offices in Stanmore, the ideal candidate will be educated to degree level and possess ACA qualifications. Big Eight training and linguistic ability would be a distinct advantage, although not essential. In addition, he/she must be capable of dealing with staff at every level and be able to demonstrate

£Neg+Car potential to progress to a management

The post will involve around 50% travel throughout Europe, and if necessary, language courses will be offered to the right individual. The successful applicant will receive a generous salary, company car, together with membership of an excellent pension scheme and other benefits associated with a progressive company. Relocation assistance will also be agreed in appropriate circumstances.

If you feel you match our requirements, please telephone for an application form or send a comprehensive CV which includes details of your current remuneration package together with a hand written. covering letter explaining your interest in the post to:

The Personnel Department, AMP of Great Britain Limited Terminal House, Merrion Avenue, Stanmore, Middleser HA7 4RS. Telephone 01-864 2356,

INTERNATIONAL CORPORATE AUDIT SENIOR FINANCIAL AUDITOR

Financial Services Group

£26.000 + car + bonus

Our client is a highly profitable, household name in the UK Insurance and Financial Services marketplace. Commitment at Group Audit Committee level is ensuring a drive for robust and efficient systems across the whole business. As a qualified accountant within a small team based in Surrey, responsibilities

* leading or working within investigative teams on operational audits and reviews — to agreed objectives, criteria and time-frames.

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Please contact Lesley Harding on 0844 21 7277 for further details

PHILIP JAMES & COMPANY 17 Thame Park Road, Thame, Oxon, OX9 3XD

Financial Controller Food & Drink Industry

Central London

The Food & Drink Federation is the principal representative body for the food and drink industry in the UK - an industry employing over 500,000 people and commanding some 25% of all consumer expenditure.

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Please write to Ms Rowena Tit, The Food & Orink Federation, 6 Catherine Street, London WC2B 5.J. Closing date for applications 30th January 1989.

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FINANCIAL TIMES THURSDAY JANUARY 12 1989

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In successing canneaus will proceed our state 2 is quantited (Carlot) currently with managerial responsibility, competent in the development and operation of computerised years and ideally with experience in the food manufacturing industry.

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A Financial Controller is required to take full charge of the Accounting operation, contribute to dministrative efficiency and generally perform a key role in the management team.

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Applications are invited from qualified Accountants preferably aged between 30-45 who believe that they can relate to such an environment.

They will need to demonstrate

i) Good all round accounting experience; ii) Sound knowledge of integrated data processing sytems;

Please write, enclosing C.V. to Christopher Brooks, Joint Managing Director, Morison Stoneham Vanagement Consultants Limited, 805 Salisbury House, 31 Finsbury Circus, London EC2M 55Q.

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Reporting to the General Manager, this "hands on" position will be responsible for continuing present development work on systems and controls including the implementation of integrated accounts and inventory control computer software. The role will be responsible for the control and development of the accounts team, interpretation and reporting of financial data and forecasting information and oversee inventory control and

Candidates will be Chartered Accountants aged 28-40 with proven experience in a fast moving distribution or manufacturing snvironment and fully conversant with computer technology and systems.

Remuneration will be negotiable, depending on experience, and includes a company car, contributory pension and private medical cover.

interested applicants (male or female) should send a detailed CV for the personal attention

The General Manager, Converse UK,

2 Meadow Brook, Maxwell Way, Crawley, West Sussex RH10 2SA

GENERAL APPOINTMENT

1

11

Europe warms towards energy management

Della Bradshaw reports on advances in computer-controlled systems for factories and offices

his year British busi-nssses will spend £10bn on snergy to run their heating, lighting and industrial pro-

But in spite of the savings companies can make by cutting consumption, businesses in western Europe have been slow to introduce energy man-agement systems. Such systems monitor heating, ven-tilation and air conditioning, and achieve the desired conditions with the minimum

energy input.
In the US, companies have been using computer-based systems since the 1970s. But in Europe interest has been aroused only recently with the development of systems based on microcomputers.

Manufacturers of energy management systems in the UK are now optimistic. "The technology is becoming more and more reliable, which makes people more comfortable about leaving machines in charge of their buildings," says Richard Shord, director of the product marketing division at Trend Control Systems, a manufacturer of microprocessorcontrolled energy management systems. "As the computerised systems are much smaller -and are often pre-wired and pre-tested - the project management is also much easier."

A growing number of Euro-

pean companies have joined the two major US suppliers, Honeywell Controls and Johnson Control, in selling systems. These include three Swiss com-panies, Landis and Gyr, Staefa Control Systems and Sauter Antomation, as well as Siemens and AEG, of West Germany, and Satchwell Control Systems (part of GEC), Trend, Transmitton and Potterton Energy Controls in the UK.

As the cost of the central computer hardware continues to fall, a microcomputer-based energy management system can now be bought for as little as £1,000. However, the compli-cated wiring and installation needed for a new system can double the outlay. At the heart of today's

energy management systems

ere four main components:

Sensors to monitor air temperature (inside and ontside the building), lighting levels, humidity and noxious gases.

They are also tall whether They can also tell whether there is anyone in the room, through a switch which registers when a door is opened.

Direct digital controllers electronic boxes which calculate when to activate or shut down the equipment using information fed to them by the sensors. With more modern sensors. With more modern systems, large numbers of controllers are used so that each one can create the conditions appropriate to different parts of the building. Later this year, Honeywell will market a system which can control the temperature of each individual.

psrature of each individual Energy systems use a heating control mechanism called Proportional Integral Derivative. This measures how many degrees over or under the required temperature the atmosphere is and then reacts accordingly.

• A network to link the digital controllers together.

 Supervisory terminals on which the information produced by the system can be called up. Faults are automati-

THE "intelligence" built into a building needs to be based on monitoring of energy

consumption, heat generated by equip-

ment and air temperatures at strategic points in the building.

the nature of the building. North and south faces, or upper and lower storeys, experience different conditions. And

departments doing different jobs may

need different temperatures. Based on its studies of the thermal

Based on its studies of the thermal responses of several UK buildings, the Building Research Establishment (BRE) has developed an algorithm (a logical system) to give the optimum heating start-up time. BRE researchers claim fuel savings in the range 10 per cent to 40 per cent.

The algorithm is expressed as an equation using co-efficients for each application. This is a self-adaptive system which "studies" responses of the building to outside conditions and can "learn" to predict them. Vic Crisp and Martin Shaw at BRE

them. Vic Crisp and Martin Shaw at BRE point out that there can be up to 30 per cent savings in the early stages of install-

How much detail is required depends on

Most manufacturers use a personal computer (PC) for the terminal, usually IBM or compatible PCs. The more sophisticated multi-tasking PCs can monitor heating and light while being used for ordinary office jobs, such as word-processing or financial planning.

For companies with a number of buildings in different locations a supervisory termi-

locations, a supervisory termi-nal in the head office can be attached to the network through an auto-dial modem (a device which translates the sig-nals for transmission over the elephone network). This is becoming increasingly important with the emer-

gence of facilities management companies in the UK, which install, operate and maintain energy networks. They can diagnose problems – and often correct them - remotely.

Facilities management companies alleviate one of the last difficulties associated with

energy management systems - how to interpret the infor-mation that is fed to the system operator by the sensors and controllers. Many larger companies are employing technicians to do that job, but smaller users cannot afford it.
The problem could be solved in the future by expert

ing such systems.

There are two main aspects of this.

First there must be conscientious mainte-

nance of all the equipment.

Second, to gain full advantage from the system there should be skilled (human) interpretation of how it is working. ERE suggests that the expertise of lower-skilled technicians should be supplementation.

mented by expert systems, containing

"knowledge" in the form of facts, relation-ships and rules. Within their field of

expertise these programs can also make reasoned inferences from readings and sit-uations. Brexhas (Building Research Expert Building Automation System) is

A prototype version of the Brexbes expert system is to be installed in an

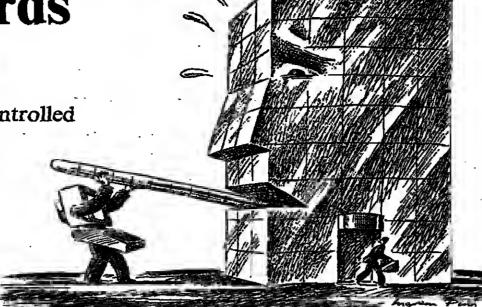
office block in Epsom in March. BRE is

hoping to encourage manufacturers of energy control systems to take up the

development of Brexbes.

In addition, the recearchers are looking at the use of programs in which the computer solves the problem by a method of

one such system.



systems, which will help managers interpret the data com-

ing from the system.
Other technological developments are also making energy management systems more attractive. The latest versions can be connected to the build-ing's telephone system, so that fjustments can be made to the temperature, or lights switched on or off, by pressing a combination of buttons on

the telephone.

The data from energy management systems can also be fed into other networks, such as a security or fire alarm system. In the case of a fire, for example, heating and air conditioning systems would be switched off so that they did not fan the flames

Systems which incorporate control of heating, lighting, office sutomation and security networks, often referred to as "intelligent building systems" are growing in popularity in the US. A catalyst for this has been the recognition of build-ing sickness syndrome health problems among employees, which are attri-buted to factors such as the air conditioning and which have led to litigation against employers. Companies are hoping that if their employees have some control over their environment, they will be less likely to suffer from illness, or at least less likely to sue.

Johnson Controls in the US has developed a system with office furniture manufacturers

trial and error, "judging" whether the result is closer to a solution after each

All these developments mean that elec-tronic systems of increasing complexity are being installed in buildings. They obviously need to be reliable. But they may suffer electrical interference and might even themselves affect other electronic systems. For example, they might be affected by emissions from the mains wiring, electrostatic discharges from car-pets or clothing, or by electromagnetic radiation from radars, security guards' transceivers and the like.

So the corollary of this work on control systems for buildings is a standard to ensure that the equipment does not inter-fere with other equipment and is itself immune to disturbance. A draft national standard is being considered by the Brit-ish Standards Institution. Work is also in progress on standards for the European Community.

Israel Berkovitch

VW says lean-burn engines cannot match catalysts

by catalytic converters, at least in the foreseeable future and under normal operating conditions in Europe. This is the conclusion of a lengthy research programme carried out by Volkswagen, the West German vehicles group.

As a result, Volkswagen is to offer cars with catalytic converters as options in all markets by the end of this year. This commitment is irrespective of the phased introduction of more restrictive exhaust

of more restrictive exhaust emissions standards within EC member states which is taking place between now and the early to mid-1990s, and which some major manufacturers insist can be adequately met with lean-burn technology.

so that in a partitioned build-ing individual employees can

control the temperature in

still view energy management

systems as a way of saving money and delivering informa-

tion about energy consump-tion, US employers see

employee comfort as one of the

key factors in selecting a sys-tem, according to John Berna-den, of Johnson Controls.

Some US companies have installed systems which are

wired into the ordinary elec

tricity system, eliminating the need to rewire the building.

That makes the energy man

energy management systems in Europe matches that in

America. In the US, the market

whereas market research organisation Frost & Sullivan

estimates that the European market will only be worth

In the UK, the building boom

in new office blocks has accel-

erated the installation of

energy management systems - the market was valued at

\$1,700m by 1992.

worth \$3hn (£1.7hn) a year,

While European employers

with lean-burn technology.

Volkswagen's conclusions seem bound to spark controversy in some individual markets. Not least in the UK, where market leader Ford has already come under attack from the Grandscape. from the Greenpeace environ-mentalist organisation for ref-using to give UK customers at least the option of buying "cat"

Ford has stressed on severa occasions the company's belief that new emission standards can be met with lean-burn technology, even though Ford already produces catalyst equipped cars for other major European markets such as

agsment systems much cheaper to install. West Germany. Volkswagen contends that An inhibiting factor is fluc-tuations in the electricity cur-rent, which can corrupt the while this is probably true, and that soms lean-burn engines could possibly even meet cur-rent US standards - which are information sent over the network. Error correcting devices are being developed. stiffer than those only now being introduced in Europe -There is still a long way to go before the installation of the lean-burn engines are relatively "clean" only at low

As soon as they are used above 60 miles per hour, according to Istvan Geiger, who led the VW research team, they emit more nitric oxide – the pollutant closely linked with "acid rain" – than cata-

Ironically, emission levels are not tested at speeds above 60mph in either the US or Europe. In the US this has been justified by the long-standing 55mph speed limit which is only just being raised in some states. But the European test cycle currently 585m last year, compared with 54m in 1982, according to the Energy Systems Trade Associa-

ean-burn engine technology has no hope of matching the low exhaust emission levels offered by catalytic converters, at least in the foresceptle forms and the foresceptle form

motorways.

Discussions are continuing about a new EC test cycle to take them into account, but the issue remains unresolved.

"If the Euro-norm test was raised to 75mph - the proposed pan-European speed limit – we do believe it would be more difficult to keep to a lean-burn engine," maintains

lean-burn engine, "maintains Geiger.

He adds: "Volkswagen's policy is to produce engines that are clean under all normal road conditions, not just on an artificial test cycle."

Volkswagen insists that its research has highlighted other operating problems, with lean-burn technology, including unsteady engine idling and misfiring. misfiring.

misfiring.

These could be avoided by incorporating more sophisticated ignition and injection controls and an advanced. engine cooling system, though adding all these would raise costs above those of a full three-way "cat" car, VW

The cost of incorporating a catalyst depends on which sys-tem is installed. On smaller models like the Volkswagen Polo, a simple exidation catalyst adds £200. The more complex "three-way" system to be used on larger cars, and which incorporates exhaust gas recir-culation with sensor and electronic controls, adds about

Volkswagen, which has a high reputation for its engineering research and develop-ment activities, decided in favour of catalysts after sev-eral years of research under a programme partly funded by the West German government. VW is continuing its

research into alternatives to catalyst systems. It is clear, though, that the company now sees the catalyst as the main solution to emissions, at least for the remainder of the century. Volkswagen, which embraces Audi and Seat of Spain, is one of the world's largest vehicle manufacturers, with output of more than 2.5m cars and commercial vehicles

John Griffiths

57.

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Julya Gall

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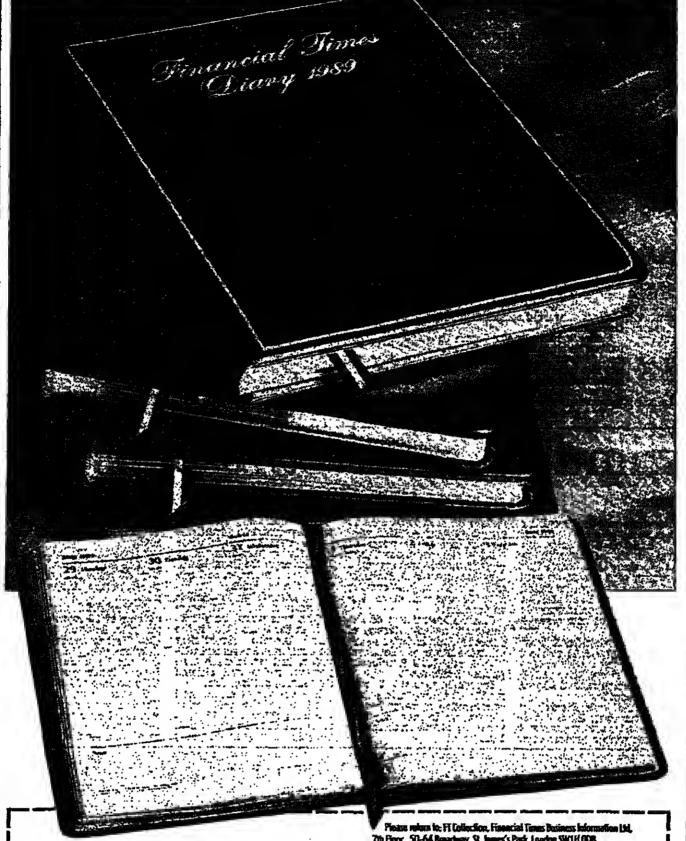
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Leisure trends

Full house for a popular pastime?

Alice Rawsthorn on the rehabilitation of a gambling game into a 'safe and socially useful' activity

n the swinging years of the 1960s it was castigated as a social evil that lured the women of Britain away from their families by tempting them to squander their housekeeping money

squander their housekeeping money in gambling dens.

Today bingo has been rehabilitated. Only last week the phenomenon of hundreds of women awaiting a cry of "clickety-click 66" in a converted cinema was lauded by the Institute of British Geographers as "cotally useful".

safe and socially useful".

Better still, from the industry's perspective, the hingo market is booming. Bingo halls — or centres, as the industry prefers to call them — are packed. The giant leisure groups that dominate the industry are investing in lavish refurbish-ment. Granada has just spent £2.5m on its new bingo centre in Derby, the first purpose-built, stand-alone bingo hall in Britain.

The Derby ceotre is the most ambitious part of Granada's £12m programme to modernise its bingo activities. "The challenge that we, and the other operators, face is to redefina the game as a popular pas-time for the 1990s," says Graham Kerr, managing director of Granada

Bingo traces its origins to the games of "housey-housey" that became popular during the Second World War. At first it was played in village halls and working men's clubs. In the 1950s and 1960s, when the popularity of television encourpeople to stay at home rather aged people to stay at home rather than visit the cinema, the empty cinemas were turned into bingo halls.

The game hit its heyday in the early 1970s, whao 5.5m regulars flocked to converted cinemas for a flotter and an ooting with their

But in the middle years of the 1970s, bingo drifted into decline. The game fell prey to its dowdy image, the impact of the recession on its working class customers, the seediness of the converted cinemas and the failure of bingo operators to keep pace with the changes which were sweeping through the rest of the lei-



By the mid-1980s there were only 3m regular bingo players. Halls were forced to close and soma of the smaller chains went under. But the industry woke up. A new generation of managers entered bingo and saw the game quite differently from the old cadre of cinema operators.

The new managers began to spruce up the bingo halls. Their initiatives had some effect in reviving interest. But the chief catalyst surfaced two years ago with the launch

Since the late 1960s, when bingo came under the segis of the Gaming Board, there have been strict con-trols over the size of prizes. But in 1986 the government permitted clubs

to participate in a national game with a £50,000 prize.

In 1967 the decline in attendances was halted and in 1988 attendances actually rose. Suddenly bingo looked

actually rose. Suddenly bingo looked like a growth industry again. "We had made good returns from the game for years," says Kerr. "Bot there had been some frustration at the lack of development opportunities. When those opportunities appeared, we said "Let's go for iti"." Granada is the fourth of the "big four" bingo operators after Rank, Coral and Mecca. Its 63 clubs attracted a turnover of £60m last year. Since the revival in hingo year. Since the revival in bingo attendances, it has expanded by buy-ing the 15 Essoldo clubs in the UK

and diversifying into the US.
Three years ago Granada began to research the bingo market. The results were fairly predictable. Regular players enjoyed coming to a friendly, familiar place where they felt safe. Most players, after all, are women and many are elderly. But even the regulars found bingo bor-ing. They thought the halls were scruffy and wanted a wider choice of

Granada had already begun to enliven its bingo centres by introducing cabarets and club holidays. It had also experimented with computerised ticketing systems that enable it to monitor attendances. The group then embarked upon refurbishment. The leitmotif of its £12m refurbishlike any other area of the leisure sector. "We must recognise that we are competing for people's time and money not only with other bingo operators, but against restaurants and pubs," says Graham Kerr.

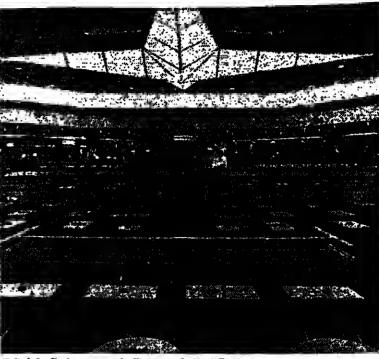
Accordingly it has drafted in Marketplace Design Partnership, a design consultancy that has been involved in other leisure projects -a cinema complex for Rank and a bowling centre for Granada - to work on some of its new bingo cen-

The refurbishmeot programme began last year with the renovation of three established centres. MDP worked on the centre in Bristol. The others were designed by Granada's in-house team.

When it came to opening a new centre in the city of Derby, Granada could have chosen the conventional and cheaper - option of converting an old supermarket, cinema or bowling alley. Instead it opted to spend more money - about £2.5m rather than £1.5m for a conversion - to build a brand new centre.

Some of the elements of the Derby design are common to all the refur-bladed centres: softer colours, more comfortable seating, better lighting and ventilation. But by building a new centre, Granada has been able to be more inventive.

In the design MDP drew upon Granada's research together with its own "surveys", which involved dis-patching its design team to bingo halls to find out about the game from the player'e perspective.



Britzin's first purpose-built bingo hall at Derby cost £2.5m

One of the chief changes is in the entrance area where, instead of the cooventional "cinema" kiosk, a hotel-style reception has been installed. The playing area is set on four tiers. The restaurant and bar are far larger than in conventional centres. There are also new features like a video wall showing satellite

Granada plans to open two new hingo centres a year from now on and to acquire about 20 other centres. It hopes that the Derby centre, which opened just before Christmas, will be as successful as the Bristol

Business has boomed since the Bristol centre opened in the sum-mer. Attendances are running 10 per mer. Attendances are running to lear cent ahead of the same time last year and turnover is 18 per cent higher. Equally important, to an industry which is eager to attract a younger audience; the average age of the players has dropped from 46 to 42

The early experience at Derby is equally encouraging. This Saturday the centre will be treated to its first "celebrity cabaret", when the cries of "clickety-click 66" are silenced as Des O'Connor, the veteran crooner and comedian, takes to the stage.

The secrets of market domination

weighther the mariest you enter is large or small, the strategic business plan must be to concentrate your resources and dominate it, says Larry Light, chairman and chief executive of the US-based advertising agency. Backer Spielvogel Bates. In a report which reconfirms the importance of market leadership, Light states: "Leadership pays. Domination pays even better."

A study of 2,746 US businesses over a four-year period showed that market leaders averaged a return on investment of 31 per cent compared with 11 per cent for those ranked fourth or worse in their markets. "A fourth-ranked business," It light says. "It is an unprofitable hobby."

A market dominator (a business with sales volume at least 1.5 times its nearest competite) was 53 per cent more profitable than the market followers.

The Law of Dominance, Light adds, holds for niche markets as well as big markets. "It is more profitable to be a niche-picking dominator than to enter a hig market and be a follower. A weak rank is a weak husiness."

To become a market leader, superior quality is critical. But Light argues: "It is not sufficient to have superior quality is critical. But Light argues: "It is not sufficient to have superior quality. People must think of you. Then, they must also well of you. Advertising is a key strategic factor. Market leaders recognise that they must support their investment in it . . . with above average expenditures in adventising." above average expenditures in advertising." A marketing mix which is

A marketing mix which is skewed excessively towards promotion does not build market dominators; it leads to unprofitable market followers, says Light. Promotion is important for new products and for detending volume against competitive enslaughts. But he warns that the current trend towards more presentional expanditive dispromotional expenditure dis-closed in a study of 718 US con-sumer businesses is a "poten-tially dangerous misallocation of

marketing resources."
If marketers spend two out of three dollars to communicate that price is more important than quality, they are not building brand loyalty, Light says: they are merely purchasing short-term behaviour.

"A brand is more than a prod-

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rows from a brand reputa-tion ... excessive promotion does not increase the value of an asset, it depletes it.

"People are loyal to brands, not to products. Repeat buying alone is not loyalty. Loyalty is desire to repeat. Repeat behaviour can be bought. Loyalty must be earned." Light concludes.

Philip Rawstorne

How mail can stimulate a direct response

Philip Rawstorne on the role of the 'silent salesman'

aced with a recession in the UK building indus-try in 1985, Wimpey Construction could have reacted simply by making many of its staff of architects, designers and engineers redundant. But that would have made it more difficult to compete for new business when the upturn in the market

It decided, instead, to retain as many staff as possible and seek more repair and renova-tion work. For the first time, it used a direct mail package to property managers in the Lou-

Wimpey offered to survey properties and submit recom-

mendations free. It enclosed a folder showing "before and after" colour illustrations of work it had carried out, a covering letter emphasising the need to protect property investments, and an "execu-

tive toy" egg-timer as a reminder to longer term pros-pects of its service. The direct mailing cost £10,000 - Wimpey got £2.5m

of hasiness in return. Avis Car Leasing, trying harder to win new business in a highly competitive market, targeted company finance directors rather than transport managers as key prospects. But Avis salesmen found it impossible to get personal

interviews merely by calling direct mail shot about electric

at company offices.

A direct mail package was devised in an attempt to unlock the closed doors. The package, sent out in an eye-catching envelope, incloded four playing cards, all aces, on the back of which summaries were printed of new services

This "winning hand from Avis" cost £7,000. It resulted in new contracts with companies for more than 1,100 vehicles worth around £5.75m over 27 months.

The Midlands Electricity Board, targeting those house-holders in its area without gas supplies with a personalised central heating - "This win-ter you can be as warm as toast - and save money, too" got a 3.5 per cent response.
 But that was worth £1.5m in sales of boilers, and another £200,000 a year in extra elec-

These illustrations of the power and cost-effectiveness of direct mail are included in the second edition of the Royal Mail Direct Mail Handbook* published this week.

tricity sales.

Increasing market and media fragmentation are encouraging more and more advertisers to Increase their use of direct mail in their mar-keting mix.

"It is becoming more and more important to advertisers to be able to target thair advertising precisely," says Les Andrews, the Royal Mail's direct mail manager, and edi-tor of the handbook.

The Advertising Association estimates that, in 1987, some £483m was spent on direct mail in the UK, making it the third largest advertising medium behind press and television, and worth more than posters, radio and cinema

advertising put together.
The volume of direct mail has increased threefold during the past decade. In 1987, it amounted to 1.6bn items, with roughly three-quarters going to consumers and the rest to business and industrial mar-

Yet the UK direct mail business is still far smaller per head of population than that of most other European coun-Switzerland leads with an

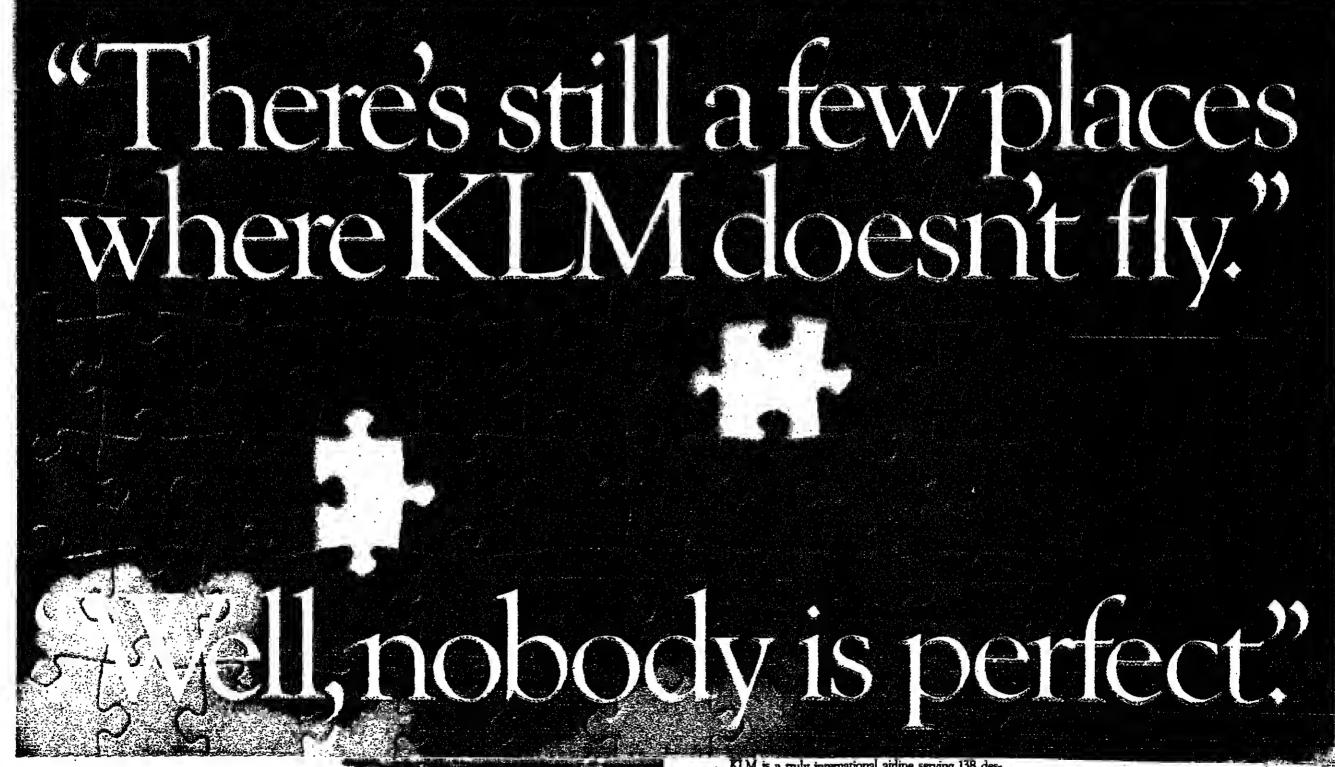
average of 90 items per head per year, followed by Sweden (58), West Germany (53), and Beiglum (51). Only Portugal and the Republic of Ireland have a lower score than the

UK's average of 25.

The handbook, the only publication on the subject commissioned by a postal author-ity anywhere in the world, provides a concise but comprehensive guide to the use of the medium. Established practitioners, in

a series of articles, cover every aspect of the medium from the compilation of mailing lists and computer databases to new creative possibilities, from testing and measurement to the law and advertising The handbook also offers

advice on the role of this "silent salesman" in overseas markets: "There are local courtesies to be observed...but people are people the world over and respond to the same stimuli if they are properly addressed."
"Exley Publications, £19.95.





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CINEMA

Exquisitely honed banalities

fully funny and affecting High Hopes, the United Kingdom is a divided seridom. One half of the population is in thrail to Dayglo dreams of social ascent: the other half to dissent and impotently wistful radicalism. In converted alumlands, yuppies run amok with bloodcurdling Sloane Street accents. In stub-born bedsits the last surviving Marxists hold out, growing unwashed beards with the devotion of scientists in a hydroponics lab.

Owing to the unavailability of our leader, the role of Mrs Thatcher is played by a cacus. The plant, so named because "it's a pain in the arse," belongs to Cyril and Shirley (Philip Davis and his live in despatch rider and his live in girlfriend When not making girlfriend. When not making pilgrimages to Karl Marx's tomb in Highgate, this couple bickers over whether to have a baby, takes in lost strangers who stumble into their tworoom hovel near King's Cross, or cope with Cyril's addled Mum (Edna Dore) and semi-de-mented sister Valerie (Heather Tobias). Valerie is a walking colour-

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clash with a hyens laugh, a philandering husband and a home designed like a hairdress-ing salon. Mum is a hopeless and saion. Mum is a hopeless case. When not locking herself out of her council flat and falling on the mercies of the next-door yupples, she is the terrifying victim of birthday celebrations. 70 years old, her treats include a DIY blood-pressure machine from Valerie and sure machine from Valerie and a family get-together as warm their partners and mirror-im-and cosy as a dinner with the ages, they soldier on with their

in only his second feature film — the first was *Bleak Moments* 16 years ago — stage and TV director Mike Leigh parlays his working methods brilliantly onto the big screen. Devotees of Abigail's Party or Nuts In May know the Leigh style of doleful comedy. Exquistibly bornet benealties. stiely honed banalities — the script is based on improvisa-tion with the actors — create characters locked each into his own idiom, as if God or society has slammed the door on selfimprovement and thrown away

the key.
Caricature threatens but rarely causes damage. In High rarely causes damage. In High Hopes, only the rampant yuppies couple are overdrawn, and even here it is hard to withhold a giggle: as when the lady Sloane (Lesley Manville), tuttuting over Mum's refusal to buy and re-sell her "goldmine" council flat, chirrupingly asks the old dear, "Do you have all your original features?"

But the film's triumph is in But the film's triumph is in

the depiction, at once satirical and compassionate, of its two aging young Marxists. Cyril and Shirley are stretcher-cases of the new Britain. Run over by Thatcherism, the couple is broken in wind and limb and now dispenses brain-dead radi-calism from a mind trapped in the 1960s. But this blinkered pair become ever more sweetly credible as the film evolves. As private dimensions open up in their relationship – quarrels over whether to have a child, what to do with Mum - we realise they are two lost souls like you or me. Bickering with

HIGH HOPES Mike Leigh

PASCALI'S ISLAND James Dearden

MAPANTSULA Oliver Schmitz, Thomas

Mogotlane RED HEAT

Peter Hyans THE PRESIDIO Walter Hill

small lives while the large world outside whirls incluctahly towards eternity or Arma-

James Dearden's Pascali's Island is a different kind of UK product. Where High Hopes is a live plant grown from the soil of a lovingly tended truth, this period fable is like an artificial flower with ideas above its station: one of those designer blooms you stick in a vase when guests are coming and there is no time to raid the

The film's colours are golds and ambers, azure blues and sunlit whites: the setting is a Turkisb-Greek island in the stern Mediterranean, circa 1908. Ben Kingsley, whose dancing eyes are about the only thing that moves in the film, is the titular Pascali. A spy for the Sultan in the twilight years of the Ottoman empire, he sends reports that are never answered. ("Pascall's wager" is that the Sultan actu-ally reads them. But like mankind and its prayers, how can he know?)

Knter Helen Mirren, expatriate Viennese painter, and Charles Dance, self-styled archaeologist. Dance is soon involved in villaliny concerning digging rights and priceless etetues; Mirren is soon involved with Dance, and Kingsley rashly becomes involved with both. Result: he sees his little world and power-base collapsing even as the larger Turkish dominion crumbles around him.

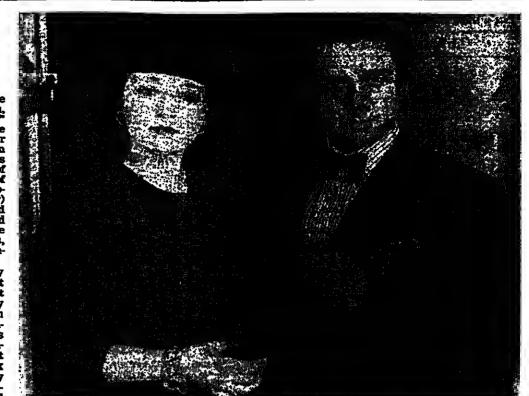
Based on a novel by Barry Unsworth, the film is like a Unsworth, the film is like a costume and scenery parade terrorised by metaphor. Daunted by the blank-cheque portentonsness of almost everything they have to say or do – this is one of those films where anything can mean everything and probably does – the cast tend to stand still, look anxious and bravely mouth Dearden's dialogue. This consists chiefly of vatic mouth Dearden's dialogue. This consists chiefly of vatic platitudes ("Maybe I came here to find something," "It's as if everything I've ever done has led me to this") and makes one wonder what ever happened to the rediboded, visceral Dearden who scripted Fatal Attraction. The movie has things to tion. The movie has things to say about God, history, love, betrayal, reality and truth. A fascinating agenda, but it fails, alas, to say anything in other than a stiff, gentrified, literary manner. As a movie. Pascali's Island is a strong contender for

the book-of-the-month award.

Mapantsula comes with the unbeatable recommendation, "Banned in South Africa." Filmed in Soweto under the guise of a routine gangster thriller, the movie was then discovered by the authorities to have impermissible layers of political subversion. Its tale of a petty thief (Thomas Mogotlane, also co-screenwriter) who is arrested, vainly pressed to turn police informer and finally "politicised" is a vehicle for comment on pass laws, police brutality and state-sponsored racism.

Directed and co-written by Oliver Schmitz, the film's heart may be in the right place but its creative brain is less firmly located. Stumbling from counter to counter in the Anti-apartheid Ideas Store, it grabs at familiar vignettes: the sudden street arrests, the covert township meetings, the black maid who works for a bossy white mistrees, the funeral procession confronted by armed police. But it tends in its zeal police. But it tends in its zeal to knock the vignettes over rather than set them up for lucid inspection. Remarkable that the film was made at all: but its impact as enlightened propaganda is dimmed by its haphazard co-ordination as a

When W. S. Gilbert opined that a policeman's lot is not a happy one, he had not even seen Red Heat or The Presidio.
If he had, he might have included in his lament those who have to watch police thrillers. Seldom do we witness so much talent – stars Arnold Schwarzenegger and Sean Connery, directors Peter Hyams



Laetitia and Rupert Boothe-Brain (Lesley Manville and David Bamber) in Mike Leigh's "High Hopes"

and Walter Hill - imitating the action of headless chickens as cars career, guns blaze, bodies thump and cogent dialogue went thataway.

Red Heat has Big Arnie as a

Russian policeman on an extra-dition mission to the USA, teamed with Chicago cop Jim Belushi. Why is he so teamed? So that director Walter Hill can recycle his 48 Hours script: two lovable oddballs in forced partnership, quarrelling all the way to the final showdown. The film has fun with Schwarzenegger's monolithic

presence and deep-quarried voice. (He not only looks like an Easter Island statue, he bases his acting style on one). The best moments are the laconic exchanges. Police chief Peter Boyle to Arnold: "How do you Soviets deal with all the tension and stress?" Arnold: "Wodka." But the plot is tritely conceived and developed, and the action soon degenerates into a demolition derby.

Degeneration is a process beyond the ambitions of The Presidio. It begins at rock bot-

policeman Sean Connery teams with young San Francisco detective Mark Harmon to investigate murder in an officers' club. En route to justice the two men spar and quarrel - of course - and Connery's daughter Meg Ryan interposes her charmless person to pro-vide the love interest. The film looks, sounds and behaves like a straight-off-the-shelf video. Wait until It is one before view-

Nigel Andrews

A Man with Connections

ROYAL COURT

The middle manager panicked when he realised he was well below his quarterly target. Ignoring warnings and safety regulations, he cut corners; and the resultant appalling industrial accident caused his own son to lose both

In the subsequent bout of recrimination and reproach with his wife, justification and (on both sides) selfdeluxion, a picture emerges of jockeying for career advantage, and social obsequi-ousness. This is the climate where economic pressures dictate all; where a train, overloaded at profit-conscious anthority's insistence, might well endanger, and lose, lives. This is would of market

Except that it isn't. This is Soviet Russia; but the message that comes over loud and clear from Alexander Gelman's 1982 play is that systems which go off in opposite directions even-tually meet full circle; and that there is little difference, in strained relationships and devalued humanity, between dialectical materialism and the other sort, between the all-pervasive state and the ostensible freedom from gov-ernment interference that exerts its own inhuman pres-

Stephen Mulrine's transla-tion and Jenny Killick's direction have been reviewed by Michael Coveney on their home ground. The production

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is the latest to arrive in Sloane Square from Ediuhargh's Traverse, and Bill Paterson's Andrei, the self-justifying manager-cum-guilty-father, plays with a Scots accent which emphasises how much making Moscow miles better might bave in common with progress nearer home. (Marty Cruikshank as his distraught wife adopts the tones of the Royal Court's immediate neighbour-

From the moment when Andrei's missing spouse suddenly falls out of the wardrobe, apparently drunk, the production intermittently the production intermittently captures that very Slavonic mix of hilarity and desperation. On the Press night it worked only sporadically: the result was emotionally disjointed, with joiting emotional gear-changes that may be smoothed out in time. Dermot Haves's set probably Dermot Hayes's set probably looked better in Edinburgh than London, where it looks awkward beyond the call of cramped Russian living-

Miss Cruiksbank is occasionally moving, Mr Paterson remains one of our best actors. For all its unevenuess, the 90minute play casts a cynically chili light on the layers of pro-tective illusion that people acquire, like extra skins; and the common ground where different forms of dehumanise materialism meet. It is called the jungle.

Martin Hoyle

The Flying Dutchman

The Flying Dutchman was an early addition to the repertory of Opera North, first staged in Leeds in 1979. It has reappeared now in the company's teuth-anniversary season, revised by Stephen Medcalf. The precise extent of the refurbishment is unclear. Lez Brotherston's sets are described as "after" original designs by Robin Don, though the look of the production has very much a sense of late 1980s brutalism about it — gashed reinforced concrete for the harbour walls, corrugated from and unadorned lightbulbs for the spinning room in Act 2. It manages to be neither intriguing nor evoca-

Tuesday's first night suggested that the production itself was in at least two minds about its aim, and there was never a sense that the charac- of the day, seemed not to be in

ters had been conceived as part of a coherent view of what The Flying Dutchman was about, or even how it might be coustrued. Each of the principals appeared to have arrived from a different direction, as if there were at least four other notional productions somewhere out there, from which these portrayals had unac-countably strayed. The incon-gruities hindered almost every section of the opera, and effec-tively prevented any of its set pieces huilding any kind of credible tension or sustain dramatic life. The cast, headed by Donald

Maxwell's Dutchman and Kristine Ciesinski's Senta, is potentially a rewarding one. But Mr Maxwell, evidently eu route from a production in which Gothic menace was the order

his freest voice - his sus-tained singing was effortful, and his tone tended towards a nasal twang. But through sheer persistence and concen-tration he generated real intensity at the climax of his first act narration though his encounters with Senta lacked credibility. Miss Ciesinski took a naturalistic line, well sung but fundamentally phlegmatic, even though her ballad had promised something altogether more brittle and excitable.

With Jeffrey Lawton singing well but conceiving Erik as a huntin' and fishin' bore (toting a brace of pheasants on his first appearance), and David Gwynne's Daland turned into a bumbling comic caricature, the supporting roles declined to favour either faction. The chorus sang well, but were staged less convincingly; there was a

ship's wheel to steer by (Peter Jeffes a promising Steersman) but no ropes to haul, and such manual labour was evidently not something which came naturally to this particular crew. Jacek Kasprzyk conducted an uneven account. His view of

the overture was decidedly unspacious - not rushed, but lacking any sense of dramatic unfolding - and later he showed a tendency to rush at climaxes, as if sensing the performance needed something to galvanise it. When the production settles down musically, and when some of the more abrasive edges have been knocked off the characters, the evening may gel, though one suspects that it is bound to retain some of its inconsisten-

Andrew Clements

PLG Young Artists

The 1989 edition of the Park no hreathy impurity in the Lane Group's long-running annual "Young Artists and 20th century Music" enterprise is under way this week. Its raison d'être is in the title, and if in advance one was beginning to wonder whether the PLG formula had now outlived its usefulness, Tuesday's two successive concerts provided a swift and satisfying answer, in the form of two new young instrumentalists of high prom-ise, whom one was delighted to

encounter for the first time. The early-evening recital presented Daniel Pailthorpe, aflautist for whom a bright future is easily predicted. He makes a big, hrilliant sound –

tone, no excrescent vibrato and projects it, and the music mixte shades. he played, with singularly mature authority and confidence. With Jonathan Papp, a similarly assertive pianist, he brought excellent boldness of viewpoint to Copland's 1971 Duo; the wide-open-spaces

introduction was ideally pa and the rhythmic attack had just the right degree of bounce without edginess. The remainder of his programme included solo flute pieces hy Gerhard and Maxwell Davies (the altoflute Nocturne, beantifully atmospheric), and Dutilleux's Sonatine for flute and piano, a finely shaped competition study of 1942 depicted here in exquisite half-tones and voix

In the longer second session, the striking figure was the American saxophonist Kyle Horch, a pupil of (among others) John Harle, who possesses dazzling technical addrese. Michael Berkeley's Keening for saxophone and piano (Pamela Lidiard) is designed to draw ont both the bitter and the softly melancholy tones of the instrument, as well as much virtuosity in florid writing, and all of this Mr Horch delivered with cool, relaxed panache.

Perhaps a degree or two more wit might have been dis-

covered in the elegant Gallic clicbes of Ida Gotkovsky's suite for sax and piano entitled Brilliance, but nothing else was wanting. The other featured player was the English cellist Clive Greensmith, who opened with Alexander Goehr's earnest, not very forthcoming Cello Sonata (1986, first London performance). In Lukas Foss's Capriccio for cello and piano one learned that Mr Greensmith's facility and musi-Greensmith's factory and cianship are of sterling quality, but his ability to project mus to an audience seems to lag a little behind them.

Max Loppert

January 6-12

ARTS GUIDE

EXHIBITIONS

The National Gallery.

Rembrandt: Art in the Making.

A small but highly informative study exhibition, prepared by the Gallery's technical department and centred on the major works by him in the collection. treating on Rembrandt's working methods and materials. Ends Jan 17.

Louvre. Pavillon de Flore. Rem-brandt and his school are on show in two exhibitions at the Show in two exhibitions at the Louvre, 72 drawings constitute a panorama of Rembrandt's masterly work and can be compared with 54 drawings executed by his pupils. The other exhibition consists of 29 canvases by Remconsists of 29 canvases by Kembrandiesque artists and is especially interesting in view of the recent controversy about attributions of some of Rembrandi's own paintings. Both exhibitions closed Tue, the first ends Jan 30, the second March 27. Entry from the Quai des Tuileries, appetite Professes (42 87 39 36) from the Quai des Tulleries, opposite Pootroyal (42 60 39 26). Galerie Odermatt-Cazean. Camille Claudel 1864-1943. The sculptor, a disciple and lover of Rodin, whose tragic life inspired a book and now e film, is the subject of ao important exhibition. 85 Bis, Rue du Fbg. Saint-Honore (42689258). Closed Sundays. Ends Jan 31.

Centre Georges Pompidou. Tinguely's tinkering genius sets his machines swirling and whirring in a riot of colours, yet the mood of the 100 exhibits moves

to metaphysical preoccupations. Closed Tue, Ends March 27 (42 77 12 33).

Musées Royaux d'Art et d'His-toire, Parc Cinquantenaire. China, Heaven and Earth, 5,000 ears of Invention and Discovery. Instruments and artworks largely from collections in Bel-gium, China and Britain. Ends Jan 16. Closed Monday. Jan 16. Closed Monday. CGER. The Fifties in Brussels, a nostalgic look at 50s Kitsch. Open daily. 12 Rue des Boiteux. Ends Jan 15.

Brucke Museum. Smil Nolde (1857-1956). The exhibition con-centrates on Nolde's most cre-ative period in Berlin between 1910-1911. There are about 125 pictures, aquarelles, lithographs and etchings. Bussardsteig 9. Ends Feb 5.

Stuttgart

Stuttgart Museum. The most important pictures of the famous Thyssen-Bornemisza collection covering the period between 14th-18th century as well as works by Holbein the youngest, Frans Hals, Peter Paul Rubens and Albrecht Durer. Until March.

Darmstadt

Glassworks and paintings of the British artist Brian Clarke will be seen for the first time in Germany. He made his name with

his lead glass windows, for the new synagogue in Dormstadt. Ends Jan 29.

Kunsthistoriches Museum. Prague 1600 — A marvelious exhibition looking at the court of Rudolf 11, the great pairon, not only of the arts but also the sciences. He kept Johannes Kepler, the astronomer from near starva-tion, and made Prague a centre of learning and culture. Ends

Feb 26. Oesterreichisches Museum für Angewandte Kunst, Works by the Austrian artist Peter Weibel Klassische Moderne – a collec-tico of the Museum's contempo rary art. Ends March 7 1989. Hermes Villa. Portraits by the fin-de-slècle artists, Gustav Klimt and Emilie Floege. Ends Feb 19.

Galleria Nazionale d'arte Mod-

erna. Witty conceptual art by one of the best of the middle gen-eration of Italian artists, Giulio Paolini, born in Genoa in 1940. Until Feb 26

New York

Metropolitan Museum of Art. More than 100 works by south-west American artist Geor-gia O'Keeffe will cover the range of her career, focusing on her influential abstracts, flower resintings and stack desert land. paintings and stark desert land-scapes. Half of the works are from the estate of the artist, who died in 1986. Ends Feb 5

National Gallery. Phillips Col-lection. The modern vision of the pastoral landscape, with works by Gainsborough, Consta-ble, Eakins and Cezanne, among others, is part of an unprecedented 136-work, two part show, the other half of which, depicting landscapes of five centuries, is at the Washington National Gal-lery. Ends Jan 22.

Art Institute. Dante Gabriel Rossetti, J.E. Millais, Edward Burne-Jones and Simeon Solomon take centre stage for this British drawings show, called "From the Ridiculous to the Sublime," which covers a century from which covers a century from Thomas Rowlandson's satires through Turner and Lear to the pre-Raphaelites. Ends March.

Washington

National Gallery. Seven Centuries of Japanese Art, as it evolved under the feudal daingo lords is the subject of a major exhibition of 450 specially designated Japanese national treasures, including paintings, sculpture, swords, painted scrolls, ceramics, robes and lacquer. ceramics, robes and lacquer. Ends Jan 23.

Tokyo

Telen Museum. Paintings by Leonard Fujita. Fujita (1896-1968) was one of the first Japanese artists to live and work in France and his arrival in Paris in 1913 coincided with the first flowering of modernism. This representative selection of 40 oil paintings is drawn from all periods of his long career. Closed Mondays.

Fuente Ovejuna

COTTESLOE THEATRE

rescue joh on a major classic at the National Theatre under Richard Eyre. Fuente Ovejuna by Lope de Vega must be one of the least known famous titles in the world repertoire. The Cheek By Jowl duo of

Declan Donnellan (director) and Nick Ormerod (designer), both making National debuts, tion in the Cottesloe. Seats are ranged in traverse style the length of the anditorium, which now, except for the sig-nificant absence of daylight and fresh air, resembles a Spanish corrul in the Madrid of the Golden Age.

We have the rectangular gradas, the galleries and ewagged boxes, the jutting apron on which sit King Ferdiwitness the tale of oppression and uprising in the Andalusian hill town of Fuente Ovejuma, before intervening to adjudicate on a communal confes-

the extended dispute with Por-tugal. The play, published in 1619, raises the vexed issue of honour. Peasants were not sup-posed to possess the commod-

Lope's view of the peasantry, nonetheless, is unambiguously Arcadian. This NT version by even the starchy philosophical

Today, the play is about reactions to rape. The Golden Age definition of Honour is

have wrought a magical varia-

courtyard, the covered rows of nand and Queen Isabella. They, in the Spanish court black of a Velasquez painting,

This happened in 1476 during

Adrian Mitchell, lyrical, vital and rude, invests them with Breughelesque life, animates exchanges on the advent of printing and various amatory tactics. The great thing here is how the love story of the cen-tral rape victim, Laurencia (Racbel Joyce), and her brightly ingenious swain Frondoso (Wilbert Johnson), runs in pulsating parallel to the insurgent crescendo.

expanded. At the same time,

Stirring times. At last, a great the various levels of action in rescue joh on a major classic at the play are faultlessly defined, the National Theatre under so that we are keenly interested in the testing of the knightly tyro in the order of Calatrava (Mark Lockyer), and

fully informed of the political and military situation. The villagers are all sharply defined by a wbole bevy of notable NT newcomers — the delightful and large Clive Rowe, whose musical comical soh is a key feature of this production, the insistently energetic Joy Richardson, the angrily dazed Katharine Schlesinger whose progress through the festooned wedding feast is one of the most chilling evoca-

The company, many hlacks among the whites, seems to be physically supervised by the imposing, drum-banging village mayor Esteban of George Harris

My quibbles would only reside in the area of general projection — too much TV stu-dio-speak — and in the failure of Mitcheli's text to indicate Lope's rich polymetrical variety. No sign, for instance, of Laurencia's great sonnet before the tortures commence. But where Mitchell scores is

in his palpable spiritual response to a play that is remarkable for its uncanny prefiguration of the crowd as a character. Soviet Expressionism lives, and three centuries

Donnellan's production joy-ously celebrates this fact, with an underground populace emerging with their own soundtrack (great music by Paddy Cunneen) to perform an agricultural choreography that will assume a flamenco disguise and be re-defined as murderous conspiracy.
In all this, James Lauren-

son's sneeringly anthoritative Commander, the despised middle man, constitutes a wonderfully austere and bitter classical performance.

Michael Coveney

RSC's streamlined plans for 1989 with Harriet Walter as Rosal-

A new production of Romeo and Juliet directed by Terry Hands; John Wood appearing in Ibsen's The Master Builder, the American comedy The Man Who Came to Dinner by Gerald Kaufman; and a new adaptation of A Clockwork Orange are among the high-lights of the 1989 Royal Shakespeare Company year, announced yesterday,

The RSC has revised its working practices. Actors are increasingly reluctant to comincreasingly reluctant to commit themselves for two years so a one year structure has been perfected which ensures that productions that open in Stratford in the spring will be transferred to the Barbican in London in the autumn, per-haps with a regional tour in

etween.
One result of the streamlining is that the RSC is present-ing more plays by Shakespeare than in any previous year - 14 in all. Among the new produc-tions are A Midsummer Nights Dream, which opens the Strat-ford season on March 30; Hamlet, with Mark Rylance as the Prince, which has just completed a national tour, Cymbeline, last in the main house ten years ago; and As You Like It,

Among the new plays are Mary and Lizzie by Frank McGuinness and Some Americans Abroad by Richard Nelson. The successful presenta-tion of The Plantaganets, seen last year at Stratford, starts the Barbican season on March 16. It is directed by Adrian Noble who will act as artistic director in London for 1989. Other notable productions, in a repertoire which begins to repertoire which begins to appear predictable, are Dr Faustus, The Duchess of Malfi and The Silent Woman, all at the Swan in Stratford. The RSC'e third Stratford venue, The Other Place, will be closed this year for rebuilding but should open in 1990.

Terry Hands, the director of the RSC, went against the cur-rent trends by appealing for more subsidy as opposed to sponsorship money. He naturally welcomed the aid the RSC received from sponsors, such as the Royal Insurance and English Estates, but felt that the pendulum had swung too much traverds salf help. much towards self help.

Antony Thorneroft

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Thursday January 12 1989

A test for the UN

THE DECLARATION issued yesterday at the end of the Paris conference on chemical weapons will not bring back to life any of the thousands of victims those weapons have claimed in the last few years. Nor does it hold out any hope that those who used the weap-ons — foremost among them the Iraqi Government — will be punished in any way that could act as a serious deterrent to future would-be users. That is no surprise given thet those users, actual and potential, were participants in the conference and that the final declaration had to be adopted by con-

That being the case, the dec-laration goes further than expected. It does, at least, refer to "recent violations as established and condemned by the competent organs of the United Nations," which covers the use of chemical weapons in the iran-Iraq war, though not the use hy Iraq against its own Kurdish citizens.

Perhaps more significantly. the 149 states participating in the conference reaffirm their full support for the (UN) Secretary General in carrying out his responsibilities for investigations in the event of alleged violations" of the 1925 Geneva Protocol banning the use of chemical weapons. Last September, both Iraq and Turkey refused to admit investigators appointed by the Secretary General to look into the allegations about Iraq'a use of chemi-cal weapons against the Kurds. It should be more difficult for them, or for other states similarly placed, to behave like that in the future.

Appropriate steps Perhaps that gives a little more meaning to the "appro-priate and effective steps" to be taken by the UN "in confor-mity with its Charter" (an ever-so-delicate hint at sanctions) than there was in the "appropriate and effective action" against future users of chemical weapous threatened

hy the Security Council last August.
The Security Council members must be well aware that their failure to act then on the Kurdish allegations casts grave doubt on the credibility of any declaration adopted now. If

the words so arduously negoti-ated in Paris, they must be pre-pared for some state, some-whare in the world, to put them to the test, and this time they must be ready with real sanctions that are seen to bite.

Of course, prevention is better than cure. Those who do not have chemical weapons cannot use them. The industrialised countries, especially the US, have reacted to some Third World governments' recent use of such weapons by seeking at least to prevent other Third World countries from acquir-World countries from acquir-ing or manufacturing them. But they have found it difficult to get this objective endorsed by Third World governments, especially when the US is known to be equipping itself with "binary" chemical weapons of the most modern and dliest type.

Soviet intentions

The reaction of the Third World has been to urge the industrialised countries of both East and West to redouble their efforts to conclude a convention banning all production and stockpiling of chemical weapons everywhere, at the earliest possible date.

Whatever the misgivings of military men on either side, there is no longer any reason to doubt the desire of political ers in both East and West leaders in both kast and west to do this — especially after Mr Shevardnadze's speech to the conference last Sunday, when he said that the Soviet Union intended to begin destroying its own stocks of chemical

weapons this year.

The remaining problems are technical, but of genuine and great difficulty. The nature of chemical weapons is such that a treaty banning them can only be effectively verified by making virtually any factory subject to inspection at a

Such intrusiveness will probably prove even less welcome to Third World governments, and to private firms in the West, than it is to the Soviet Union in the age of glasnost. But the Third World has effectively served notice that a worldwide ban is tha only alternative to further proliferation. The Northern governments, and their negotiators in

Rules for the power game

THE FRAMEWORK established by the Thatcher Government for regulating a privatised electricity industry shows thet it has learned from its mistakes in the sale of gas and telecommunications.

The four different types of licence for electricity companies after privatisation are complex and give wide general powers to the regulator. Drafts of these licences show that the Government has moved far from its presumption during the British Gas flotation that the regulator should keep his nose out of the industry's business as much as possible. Ministers now see that in large monopoly industries competition will remain feeble unless the regulator combines strong powers with eternal virilance. powers with eternal vigilance. This is especially true in electricity, where the Government's hope of creating a vigorous wholesale market will depend largely on whether the regulatory apparatus can dis-courage collusion while ensuring that power lines are opened at a fair price to all comers. The regulations rightly insist that tariff structures must reflect costs, although this sets a formidable task for the industry and its supervisor.

Several conflicts

The electricity regulations must deal with several conflicts created by the Govern-ment's plan to divide the industry horizontally into generating and distribution com-panies. The most important is the conflict between the ohligation laid upon distribution companies to meet all reasonable demand in their franchise areas and the intention to open the industrial market to free

Distribution companies must contract for new power sta-tions to meet forecast demand. But if some larger users remove their custom, the utility may be stranded with capital charges for unwanted plant. It may then try to load this fixed cost on to captive domestic customers, or it may be tempted to order too little

The regulations must tread a narrow line in apportioning this capital risk. Prudently ordered new plant represents an insurance that consumers

should pay for, even when it is not needed as soon as expected. But domestic customers should not pay for unnecessary plant used to compete in an industrial market where prices may represent little more than the cost of fuel.

The licences address this difficulty hy giving the regulator oversight of industry's order-ing strategy. They also require strict separation between parts of a business serving the regu-lated market and that selling into the much freer industrial

Distribution companies will be allowed to pass on only a proportion of their cost increases and a proportion of the increases for the industry as a whole. This could protect consumers against bad decisions by a particular supplier. But the degree of protection will remain uncertain until ministers decida the actual proportions governing the pass through of capital and fuel

Vertical integration

The extent to which this structure will allow wholesale competition to develop also remains uncertain until details of contracts between generators and distributors emerge, along with a clearer picture of how the new National Grid company will control the oper-

ation of power plant.
One possibility is that,
despite the rhetoric of competition and a complex regulatory structure to foster it, distribution companias will soon become the effective owners of power stations through long-term contracts by which they pay all the capital costs and are entitled to all the output. This would be a new form of vertical integration in which competition was confined mainly to the bidding for new

plant. However it turns out, the new system will certainly be much more open to public and regulatory scrutiny, with much stronger financial pressures bearing down on capital spend-ing. This might result in a more efficient allocation of capital, but it also creates a danger of short-termism from which the regulator, with all his panoply of powers, could scarcely protect the customer. Richard Johns reports on the dramatic confrontation in Mexico between President Salinas and the oil workers' union

ight days ago, Mr Joa-quin Hernandez Gali-cia, the formidable president for lifa of the Mexican oil workers' union, went to the Palacio Nacional to give customary New Year saintations to the recently inaugurated President Carlos Salinas de Gortari. On emarging, he expressed his support for the new adminis-tration — but not without a cautionary warning.
If the Government tried to ispose of one millimetre of the

petroleum industry to the pri-vate sector," then the Union of the Oil Workers of the Mexican Revolution (STPRM) would strike, he said. The comments made hy this

The comments made by this powerful cacique (boss) of the Mexican labour movement were reminiscent of those he nttered in 1983, after the accession of Miguel de la Madrid, the last head of state whose candidature he had opposed, as he did that of President Salinas. "President de la Madrid" nas. "President de la Madrid will have to become a friend of the oil workers, whether he likes it or not," said the union chieftain known as La Quina. Unlike in 1983, La Quina'a tough words this time were followed by a tough reaction. Although senior officials of Petroleos Mexicanos (Pamex) are sure there are no plans to divest the state oil corporation of anything but peripheral pet-rochemical plants, Mr Hernan-dez on Tuesday was incarcer-ated with three of his henchmen after a brief shoot-out at his residence near

By holdly having him arrested and charged along with 33 others for conspiring against state security, President Salinas has initiated a major confrontation. It threat ens to be bloody, damaging to the economy and politically destabilising. A foretaste yes-terday was the near shut-down of the country's vital oil indus-try as workers struck in sup-

port of their leader. President Salinas has taken a calculated risk in a bid to establish the Government's full authority over an industry that accounts for 45 per cent of exports. He has taken the initiative despite being the first Mexican leader in recent his-tory to come to office with a small parliamentary majority. But he has surprise on his side and if he wins he will emerge with considerably enhanced power. If he loses, he will find it hard to govern with any authority.

Whatever happens, the posi-tion of the ruling institutional Revolutionary Party (PRI), is unlikely to be the same: an essential pillar of the corporatist state of the past 50 years has been the near incestuous relationship between the suc-cession of PRI governments and organised labour.

For at least two decades, La Quina has asserted complete control over the STFRM. In that period, first as secretary general and anbesquently as president, ha has posed an implicit threat to successive governments through his potential as virtual dictator of the petroleum workers to cut off the economic lifeblood of the country. Together with the veteran Mr Fidel Velasquez,



Battle for control

Mexican Workers (CTM), to which the STPRM is affiliated, he has been the second most powerful man in the land, after the head of state himself.

Troops have moved against Mexican oil workers twice in the past, in 1946 and 1959. Since then there has been no strike and under La Quina the union's power has enabled the STPRM and its privileged workers to obtain what they want without any overt threat to withdraw their labour. Even before he had estab-

lished his authority over the closed-shop union, the STPRM had gained massive wealth as a husiness conglomerate fronted by a company called Grupo Serba. By the time Mr de la Madrid assumed leadership of the country, the oil workers' union had obtained the right, through its own front companies, to carry out 40 per cent of drilling contracts awarded by Petroleos Mexicanos and 50 per cent of the state oil corporation's other projects. It did not have the technical expertise for much of the work - particularly offshore drilling

and so has subcontracted the work out to companies which have paid a fee of up to 25 per cent of tha eventual gross cost of projects, to the detriment of the Treasury and Pemex.

The companies' wealth and that of the union leaders
- is unknown. But one foreign

drilling company chief yester-day seriously hazarded the guess that it was more than the assets of the state oil corporation itself.

Mr de la Madrid initially focused his "moral renovation" campaign on the country's most vital industry. Under him came the prosecution and conviction of Mr Jorge Diez Serrano, the former head of Pemex, in 1983 on \$34m corruption charges relating to the purchase of oil tankers. Before his campaign fizzled out, Mr de la Madrid did suc-

ceed, though by no means com-pletely, in drastically cutting back on the union's grasp on Iucrative Pemex contracts but not the more lucrative off-shore ones. Instrumental in hringing about this limited success was Mr Salinas who was then Minister of Planning and the Budget. A vicious personal vendetta on either side was a major fac-

tor in Tuesday's dramatic showdown. Both hefore Salinas's nomination as the PRI presidential candidate and during his campaign, La Quina made his distaste for Mr de la Madrid's chosen successor quite clear. And then in the general election of July last year, Mr Hernandez told his rank-and-file they could vote for whom they wanted. The evidence is that many oil work-ers opted for Mr Cuahtemoc Cardenas, leader of the broad left National Democratic Front (FDN) coalition. Subsequently union members in the Cham-ber of Deputies made allega-tions of corruption against Mr Mario Ramon Beteta, directorgeneral of Pemex from 1962 to 1967, in what was generally seen as an attempt to embar-rass Salinas before his inaugu-

Vendetta apart, however, there has long been a broad consensus in Mexico that the "state within a state" repreunion would have to be curbed or crushed if both moral renovation and economic reforms were to be implemented.

its power has been a major obstacle barring the way to Pemex's efforts to improve efficiency and profitability. This in turn has redounded badly on the state's finances - 40 per cent of which this year were to have coma from oil revenue (though in the event the proportion will be smaller because of the collapse of oil prices). Overmanning and high labour costs, together with the Treasury's financial demands, have been tha main reason why Pemer'a exploration and development spending have been inadequate to replace declining hydrocarbon

declining hydrocarbon reserves.

The life style of Mr Salvador Baragan Camacho, the present secretary general of STPRM, remains notorious. Ha was publicly denounced by a rival oil workers' leader for having hired Boeing 737s to fly himself, his cronies and thair wives and girl friends to Las Vegas for weakends — and on one occasion at least to have sent the aircraft back to Mexico to collect more money. Desoite being a technocratic

Despite being a technocratic moderniser - and ruthless to boot - it was unclear if and when Salinas would confront the vested interests of the pow-erful unions, in particular the STPRM and the equally recalci-trant teachers' union led by Mr Jonguitud Barrios. Given the doubtful nature of his mandate deriving from last year's flawed election and his less than complete command of the PRI, the assumption was that he would leave a showdown until his administration could point to signs of economic

recovery.

Any meaningful and early resumption of growth, in itself dependent on renegotiation of the country's deht, seems unlikely. And, of course, one of the main impediments facing this major objective of the Govthis major objective of the Government is the entrenched power of the unions. A further complication is that, with the 50 per cent decline in real incomes during the De la Madrid era, the authority of the union bosses and their ability to agree to painful austerity measures — like the March-December wage freeze last year —

cember wage freeze last year -is being diminished. The immediate worry is a prolonged stoppage of oil production and exports which would almost certainly result in a further outflow of capital and a devaluation of the peso, undermining the economic sta-bilisation programme. There is also disconcerting speculation about the reaction of the Armed Forces. However, Mr Salinas is a man who plans carefully, is conscious of the risks and believes he can win. BOOK REVIEW

The muddle of London

nyone struggling in the London traffic or jammed into the inadequate Underground system must ha worried about the future of London. A conference last month of

planners and architects was addressed by Mr Francis Tib-balds, president of the Royal Town Planning Institute. He asked his audience to recall the grim, brutal, soulless, uncaring London that was portrayed in George Orwell's 1984. Mr Tibbalds went on to say: "My vision of London is this - f vision of London is this — f
fear the city is drifting towards
a 1984-style, dirty, threatening,
public environment with travel
almost impossible, and with
countless people living on the
streets, but with a-few incongruous set pieces like escapist
islands in a sea of pollution. In
short, an environment of private affluence and public squalor, and with no effectiva lor, and with no effectiva means of controlling it."

These are strong and alarming words from the head of the British planning profession whose vision of life in the capi-tal has all the qualities of a

A new book by Professor Peter Hall takes a calmer but far from satisfactory view. It was 25 years ago that Professor Hall wrote London 2000, which was an influential tract for the times when official planning was optimistically seen as the panacea for urban ills. He then panacea for urban life. He then advocated long-term strategic planning of employment, housing, transport, redevelopment and administration. All his projections and plans were confidently based on the premise that by the year 2000 there would be major increases in nonalation and employment. population and employment. in his new book the author disarmingly admits how wrong he was in 1963. There has been a major decline in both jobs and population in the London region because of significant migrations to the wider purlies of the whole of the southeast. London has become more of a region than a city. Greate to a region than a city, Greater London itself has not spread because of the tight corset of the Green Belt, Instead growth has leapfrogged the protected countryside and is scattered over a very wide area.

These facts force the qu tion to be asked: what did the bureaucratic planning system, the Greater London Development Plan of 1974, and the strategies of the sixtiea

Peter Hall sees on the credit. side three major new towns (Milton Keynes, Northampton and Peterborough), "some town expansions of high qual-ity", the achievement of the radial motorway (which was originally proposed in 1944), a score of country parks and a more serious attitude to urban conservation.
On the debit side, the last 30

years have seen: "a formless inadequately planned sprawl of offices out from central London . . . traffic congealing to a

LONDON 2001 By Peter Hall Unioin Flymon, Elz.45

stop in the centre and along the main arteries ugly, dispiriting, demoralising sub-urbs springing like fundi from every old town within 60 miles of St Paul's."

Hall's thesis is that the events of the last three decades and the attack by the Thatcher Government on regional plan-ning as a discredited notion of the 1960s makes strategic plan-ning for the future more, not less crucial.

Hall would like to see the south-east region run like a German land but with what he calls a "slimline bureaucrary." His book claims to be apoliti cal, but so many of his argu-ments require political deci-sions to be made that his independence looks naive. But his careful statistical approach. his careful statistical approach, his geographical turn of mind which sees London as an ever-changing map, make this a fascinating book.

It is a relief to read a book about planning the city and region that is not a polemic but

a careful and thoughtful, if speculative look at the future. Professor Hall's lack of confidence in laissez-faire planning and leaving things to market forces is well illustrated by the muddle of the London Docklands. Lack of planned infrastructure and housing policy has spoiled the overall success of a project which has trans-formed a derelict region. But he feels success could be dragged from the jaws of fail-

3 ·

4 24.

Docklands and the Urban Development Corporations have forced the development industry into new and more imaginative entrepreneurial guises. He hopes that there will be an almost Victorian willingness to commit private. capital to major infrastructure projects in London on the scale of the Channel Tunnel. His proposal for a turnelled main route under the Thames and a south London Southway has the vision that may appeal to

the development industry.

London today shows both
the good and bad sides of the curious mixture of plan and non-plan in our development control system. There is, in the professor's view, no one giving a clear lead on the planning

and organisation of a mature capitalist economy. London in its present chronic muddle is only one symptom of the lack of a partnership between state and private planning. An sconomic concertée is what is needed. This book makes a good case for it and should be read by both politicians and develop-

Colin Amery

A

Diplomatic signals

■ The announcement that George Bush will attend Emperor Hirohito's funeral may have sent a few diplo-matic tremors round other cap-itals. For he will attend in his capacity as President, not President-elect nor as the Vice-President who elways seemed to be to standing in at funerals for President Rea-

gan. The Hirohito ceremony is not till February 24. Besides, the announcement was accompanied by a state-ment from the State Depart-ment that the US relationship with Japan was its "most important bilateral relation-ship in the world."

ship in the world."
One can play semantics with
the wording. The US relationship with Britain is usually
described as "special" rather
than "important," and the relationship with Europe is multilateral rather than bilateral. Still, it looks like a new departure. Previously it was largely Mike Mansfield, the outgoing US Ambassador to Tokyo, who used to make such claims about the US and Japan. It looks as if he may have won his last battle. And one won-ders which other leaders will now decide to go to the funeral

Laing's coup

Sir Hector Laing, the chairman of United Biscuits, is extremely pleased with his latest recruit. Thomas Hunt Wyman has agreed to join the board of United Biscuits (Holdings) plc as a non-executive director, and also to be chair-man of the Group's American subsidiary, UB (Holdings) US.

"It's because he knows everybody in America that it's so good," Laing says. They have also known each other since the mid-1970s. About a year ago, Wyman was sitting behind Laing on a Concorde flight to the US, so Laing

OBSERVER

Wyman said be would think it over and eventually agreed. The Wyman list of appointments, past and present, is for-midable. Now 59, he has been president and chief executive of Green Giant, and chairman and chief executive of CBS. He now sits on the boards of AT&T and General Motors and is a non-executive director of

Laing says that Wyman will only have to put in a day or two a week for UB, but it is the connections that count. "He was the very first man thet came to mind." In the last few days movements in UB shares have been quiet, but the company could be on someone's takeover list. It may help to have Wyman around for

Grosz spoof

■ Hungary's satirical maga-zine, Ludas Matyl, has just run an exclusive interview with Karoly Grosz, the party leader. Although it reveals little that is new, Hungarians lapped it up. Grosz talks about his busy working life: 330 hours a month, from 7.30 am to 7.30 pm. "I usually fall asleep during the news," he

The interview was, in fact, a spoof. What is striking is that the Hungarian authorities have not so far objected.

Pop President A television chat show host may be the next President of

Silvio Santos, a 57-year-old entertainer, has emerged as the choice of nearly one in four voters in a 5,000 sample poll conducted in more than 250 Brazilian towns, The Latin



"If you're actively looking for work, what are you doing here?"

America watchers, the local political commentators, as well as our correspondent in Rio, all say that the chances of his running, and possibly even winning, must be taken seri-

Santos is nationally known for his highly popular, deeply down-market family variety show, and has not yet held public office. Yet he fits the Brazilian tradition of rags-toriches growth. He started as a street vendor and now controls a multi-million dollar television network. He could also become the standard bearer for the right.

A poll taken by Ibope, Bra-zil's best known opinion researchers, suggests that 24.1 per cent of the electorate would vote for him if he stood. That was well ahead of the two main left-wing candidates: Leonel Brizola, the ex-Rio Governor, polled 16.7 per cent, and Luiz Inacio Lula da Silva of the Worker. the Workers' Party only 11.2

The presidential election is 11 months away. It was the strong performance of the left in last November's municipal elections, however, that has left the political right flounder-ing for a candidate. Santos offers competence, enterprise

and the common touch. "It's almost because he has no political track record that the is such a popular choice," the commentators say. And at least the prizes that he offers in his television programme are actually delivered.

Football talk

■ Odd how clichés creep into the vocabulary. One of the latest is about the need for a level playing field. Not long ago it was about not moving the goal posts. But if the playing field is level, can the goal posts be flexible? That is a difficult question: better to stick to plain language.

Hammond's seat ■ What to do about Eric Hammond? The debut of the gen-eral secretary of the rebel EETPU electricians' union at yesterday's tripartite National Economic Development Coun-cil raised a delicate onestion of placement at the NEDC's

round conference table. Hammond, whose union was expelled from the TUC last year, could hardly sit with the brothers from Congress House. Nor could be squeeze in among the government and industry representatives, however much some of them may have liked to have had him.

The compromise finally cho-sen was to settle him among the "neutral" members of Neddy, close to Robin Leigh-Pemberton, the Governor of the Bank of England.

Harsh law

"What is the penalty for bigamy?" someone asked sternly. Answer: "Two mothers-in-law." YES!
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David Marsh meets Klaus Töpfer, the West German Environment Minister

A delicate balancing act

laus Töpfer, 50, the West German Envi-ronment Minister, is at the centre of permanent conflict over balancing ecological and industrial priori-ties in western Europe's largest economy. Because of unusual German sensitivities over the environment, pres-sures tend to be more acute

The electorate and the Opposition Social Democratic (SPD) and Green parties, sensitised by a string of well-publicised environmental mishaps in the last few years, are calling for even tougher restrictions on pollntion of land, water and air, as well as the closure of

nuclear power stations.
At the same time, Mr Topfer is responsible for nuclear safety and is being jostled by a new row over a hushed-up nuclear mishap at the Biblis nuclear power station in Hesse at the end of 1987 which, critics allege, represented the first stage to a core meltdown. West German industry, on

the other hand, points out that environmental regulations in other EC countries are generally less strict; and claims further tightening could bring it disadvantages as the post-1992 integrated market approaches. Industry estimates that in 1967 it spent DM 22hm (£6.8hm) on (investment and operating costs) and complains that it is being loaded with much higher costs than competitor coun-

Nicknamed "Katastrophen-Klans" (Catastrophe-Klaus) on account of his tendency to race to the scene of ecological acci-dents. Mr. Topfer energetically puts forward the doctrine that a vigorous approach to the environment represents the only permanent way to safe-guard jobs and industry in the modern world . . . Improve-ments in the environment pro-

duce a pay-back.
"It is our goal to use tough, calculable environmental measures to produce technological progress. All the evidence shows that countries which have lax policies on protection of the environment have to pay dearly in the end for any possi-ble advantages this gives

Mr Töpler's view appears to be born out by the extremely healthy growth and profit record of the big three chemi-

few years. Chemical giants Hoechst, BASF and Bayer say that, so far, extra environmental costs have been absorbed by general bnoyancy of the world chemical industry. They admit that German economic consciousness has helped by propelling them into higher value added products. But they believe the industry will face financial strains if environ-mental costs rise as a chemical downturn appears. Mr Töpfer admits he is under

fire from West German compa-nies complaining about lack of harmonisation on pollntion control in the EC. For instance, control in the EC. For instance, the oil sector complains that tougher German emission standards add DM 4 to DM 5 a tonne to the cost of refining crude. But, although German industry has been spending heavily on foreign investment — in expanding areas of the EC like Spain as well as the US — Mr Touter says he detects no Mr Topler says he detects no "emigration" as result of differences in environmental stanthat countries in the EC which operate less rigid standards will have to catch up later.

Recognising, like many in government, industry and the populace, that West Germany's approach on the environment was inadequate until the 1970s, Mr Topfer says, "Wa saw this in the post-Second World War recovery of the German economy. A lot of recovery was carried out at a price to nature. This has produced a lot of harm — contaminated industry sites and so on - which cost much more to clear up now than if we had tackled the problems from the start."

As a sign of West Germany former lag, the word *Umwelt* (environment) only came into use in the Government in 1970. This marked the birth of a department for environmental protection (Umweltschutz) its name translated directly from the English term - at the Interior Ministry. This looked after environmental affairs until 1986 when Chancellor Helmut Kohl was forced to set up a separate ministry, after the Chernobyl nuclear acci-

from Mr Walter Wallmann (now Prime Minister of Hesse) in May last year. There is no doubting his energy. Indeed, he is frequently accused by the Opposition of concentrating cal companies during the last too much on public relations.

Mr Topfer took over the job



Klaus Topier: a tough approach to the environment from the East, this represents

During the last few months he has been photographed swim-ming across the Rhine (to indicate the innocuousness of the water in spite of successive river pollution affairs) and administering solace on the North Sea coast over seals killed by algae.

He has multiplied efforts to reduce industrial output of the fluorochloro-carbons which deplete the ozone layer; held talks on reducing imports of wood from threatened tropical forests; and travelled all over Europe to persuade other countries to follow the German environmental line. "It is interesting to see that

every time I cross a border -in West and East - the Federal Republic is regarded and welcomed as working on the front line of environmental efforts," he says. For the first time, his Minis-

try is working on providing financial support for pilot plants to lower air and water poliution in East Germany. Because so much of West Germany's air polintion comes

straightforward economic

Why is the Federal Republic

so much more worried about the environment than other countries? Mr Topfer first gives the argument about West Germany being a densely-populated heavily industrialised country with a vociferous Green party. Then ha gives another reason. "Under the surface, many Germans have a guilty conscience about having achieved such a high living standard in such a short time (since the Second World War)." Over EC harmonisation, Mr

Topfer makes the distinction between national controls on emissions and on environmental standards in products or food. In the former, West Germany is free to adopt tougher standards than other members, although industry tends to complain. In the latter, he points out, Bonn's efforts to protect consumers by pressing for tougher norms are viewed by the rest of the EC as a form of non-tariff barrier.

Such conflict was shown in

sharp criticism of Mr Töpfer by the SPD in December for dilut-ing efforts to set stringent standards for car pollution. At standards for car politinon. At a November conference of EC Environment Ministers in Brussels, West Germany had to back away from fiscal incentives to support sales of smaller cars equipped with cat-

alytic convertors.

The European Court of Justice is now examining whether the tax break scheme - as other member countries suggest – constitutes a breach of free trade. Mr Topfer is now appealing to German car makers to make a voluntary commitment only to produce cars equipped with catalysts.

Mr Topfer says he is "not content" with progress on a Community-wide directive to reduce emissions of sulphur and nitrogen oxides from power stations and industrial plants. Agreement was reached in June on bringing in EC-wide reductions from 1993 onwards – nearly a decade after West Germany's own restrictions on were imposed. He also criti-cises Britain for not yet signing an agreement, reached as part of the Helsinki process, among countries from East and West Europe to reduce sulphur dixide emissions by 30 per cent up to 1993. Mr Töpfer's main advantages

are stamina and a thorough knowledge of his subject, which he acquired in his years as a university professor and as a state secretary and minister in the state government of Rhineland Palatinate. His weaknesses are in his lack of a strong political power base and his indirect power over events in the federal states.

Mr Wallmann, however, made use of the profile he built up at the Environment Ministry to win a resounding suc-cess in Hesse state election last year. Mr Töpfer looks like being selected by the Christian Democrats to run in the key Saar election in 1990 against Mr Oskar Lafontaine, the mer-curial Saar Prime Minister, who is one of the leading lights

For the moment, Mr Topfer says he wants to make a suc-cess of his Bonn job, and sidesteps questions about 1990. But, assuming he runs, the Topfer-Lafontaine contest could be every bit as interest-ing as the West German gen-eral election at the end of that Economic Viewpoint

No tax cuts, we're British, once again

By Samuel Brittan for corporate reliefs. For, as

Donald Franklin reminds us in his excellent Schroders Eco-

But to come back to the fis-cal outlook: the Government has succeeded in containing the rise of public expenditure

the rise of public expenditure below the growth of GDP, which boosts the Budget sur-plus, over and above fiscal drag. Taking everything together, the 1988 Budget Red Book projected (on different assumptions to those now appropriate) a "fiscal adjust-ment" of £3bn for 1989-90. Even if a higher adjustment

Even if a higher adjustment, say £5bn, were consistent with an unchanged surplus, the

Chancellor would hardly dare to act on it. For why bother to

adjust the tax burden down-

wards if you get politically cru-

wards if you get politically crucified for your pains? Even £3bn could be politically risky. Nevertheless, a discretionary fiscal tightening, over and above the very large automatic tightening that has already taken place, is likely to be destabilising. Its main effects, if any, will come with some delay when the economy is already slowing down

Mention of slowdown is

indeed appropriate. For the

biggest danger facing the Gov-

ernment's counter-inflationary

The second secon

already slowing down.

ainstream partici-pants in the British pairs in the British are masochists when it comes to tax and cry-babies when it comes to monetary policy.

The Budget surplus in both this and the next financial year are liberty to be in the 570hr.

are likely to be in the £10bn-£15bn bracket, given any remotely likely Bndget – although the Treasury may try to present the figures in a con-servative way.

servative way.

So far from fiscal policy not having been used, the public sector balance has tightened over the last couple of years by over 4 per cent of gross domestic product. The Chancellor has been ready not only to allow tha automatic stabilisers, which swing the Budget into surplus in a boom, to work. He has taken the further step of aiming in the next fiscal year for a surplus at least as good as he achieved in the preceding one — a step only sensible, of

as he achieved in the preceding one — a step only sensible, of course, during a strong upturn. Because of the way the fiscal policy works, it is possible to make so-called tax cuts without reducing the likely Budget surplus. I say "so-called" because with a progressive tax system, adjusted only for inflation but not real growth, the tion but not real growth, the tax take rises as a proportion of national income if the Chan-cellor does nothing about it. Ignorance of this feature known by the horrible name of "real fiscal drag" - contrib-utes to fiscal masochism.

It would be nice to leave the matter there. But there are, as ever, arguments about the appropriate figures. The official estimate for real fiscal drag is believed to be only around £1bn for income tax in a normal year. This seems rather low, even accepting that the buoyancy of the revenue in a year of abnormally rapid growth should not be cashed in as tax adjustments.

In any case, there are important further sources of revenue gain. Corporation tax receipts rise faster than the national income: (a) because the structure of the allowances works so that the marginal rate of corporation tax is much higher than the average or effective rate for a typical company, and (b) since the end of stock relief corporation tax is not at all indexed against inflation. This is not however the time

interest rates will be reduced ms excenent schroders acco-nomic Perspective, corporate sector margins are now at a 30 year high, "so there is ample scope for a margin squeeze, which could bring a dramatic reduction in inflation and the trade deficit drying 1999."

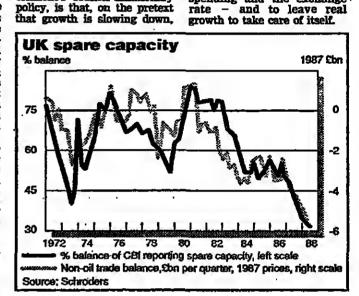
prematurely or excessively – more likely the latter. The discussions about hard and soft landings have been far too much in terms of real growth — as in the days of neo-Keynesian growthmanship — and not enough in terms of levels of capacity operation.

How many people remember the NAIRU — the non-accelerating rate of unemployment? That rate is, we must hope, well below the 1986 peak of 3.1m But for all we know it could well be above the current of the 2.Im level (7.5 per cent of the labour force). It is sad if this is so. But many other labour market indicators suggest

market indicators suggest labour shortages near the scale of previous inflationary booms.

The pressures on plant capacity are well brought out by the chart, which shows that the amount of idle capacity reported in CBI Surveys is now lower even than in the Barber boom of 1973. Recent improve ments in efficiency may make it easier for companies to work close to capacity; but no one knows how much closer.

If the economy is working too near to capacity, a soft landing may not be achievable and some quarters of low or negative real growth unavoidable. The Government's role is not to prejudge the issue, but to stick to its nominal framework - in practice a combina-tion of objectives for cash spending and the exchange rate - and to leave real growth to take care of itself.



LETTERS

Organic farming

From Mr Bill Starling.
Sir, What a pity David
Richardson (Farmers' Viewpoint, January 10) did not attend the conference, organ-ised by British Organic Farmers, to which Prince Charles's recent remarks were

Court far

STATE THE A

IN ABOUT

Mr Richardson would have

Mr Richardson would have realised that modern organic farming is much more than conventional farming without the chanicals. It is a bomplete agricultural system which, if examined piecemest may lead to misconceptions such as his comments on leaching. (When looked at over a complete rotation of seven to eight years, organic systems are found to leach less than half the nitrate lost by an intensive chemical system.) Agriculture has a fundamental impact on our environment, with chemical farming that impact is often detrimental, with policition risk, loss of wildlife habitat and loss of assthetic quality. The conference papers by Friends of the Earth and the Royal Society for the Protection of Birds showed that the important environmental organizations now

mental organisations now

recognise that organic farming has a more benign effect. The bogy of food shortages, if too many farmers change to organic methods, does not bear examination. The Ministry of Agriculture continues to talk

From Mrs Epa Wittenberg. Sir, The adventurous food manufacturers who produce sea urchin coral and giant green-lipped mussels can hardly hope for a mass market (Weekend FT, January 7). But an enterprising company could find a fan club of devoted

customers without searching for such exotic delicacies. for such exonic delication.

Any company which caters for the sizeable group of people who are allergic to or dislike onlons and garlic is sure to

Star of wonder

From Dr Archie McKerrell. Sir, David Lascelles' article on company Christmas cards om company Christmas Estus (Weekend FT, December 24) does not mention the one from Colorvision, which I found suf-ficiently amusing and tasteful to display on our sideboard. It hows a Victorian street scene with a small, appropriately

about the increasing acreage needing to be taken out of production in order to curb food Today's chemical farming

outputs are the result of over 40 years of intensive research and development. Steps are only now being taken to expand the scientific and tech-nical knowledge available to improve production under

Organic farming is not merely a way of producing high quality food, without the perceived risks of chemical res-idues and with a more ethical approach to livestock hus-bandry. It is also a positive way to help overcome many of today's environmental probiems, and develop agricultural practices more acceptable to the general public which, rightly or wrongly, is unhappy about the more extreme aspects of conventional agri-

strated by the growing number of farmers (over 400) registered under the Soil Association's Symbol Scheme for organic quality, and the growing num-ber of hard-headed retail chains anxious to stock organic produce, Bill Starling,

Chairman, British Organic Farmers, 86 Colston Street,

Plain food preferred

gain an enthusiastic following.
At present, people prone to
such allergies are unable to
buy "starter" or "main course"
convenience foods; practically
all such products contain one or more members of the allium

The market for onion-free and garlic-free dishes is ready and waiting.

Eva Wittenberg, 3 Fairacre, Church Road Isleworth, Middleser

attired group of people looking in the window of a Colorvision shop. On the roof is a satellite dish and above it - rather out of perspective - can be seen the extellite.

Archie McKerrell 27 North Linkside Road Liverpool, Merseuside

'Investors should back the long run, not long odds'

From Mr K.J. Phair. Sir, Your leader on "The Gambling Mentality" in bank-ing (December 30 1988) is long overdue, but unfortunately. proposes a false remedy for the symptoms described.

It is true that risk levels in bank portfolios are increasing worldwide, in the various guises of credit risk, market risk, event risk or liquidity risk. Naturally, risk is not being taken for its own sake, but becausa it is frequently seen as the only way to meet ambitious short-term profit targets in an environment where investors and wholesale borrowers are colluding to dish-termediate the banks.

While extra risk may well produce extra return in the short run, in a stable long-run situation increasing defaults or changes in market value will eliminate these extra profits. In other words, for banks in aggregate, today's profits from higher risk are being paid for with tomorrow's profits.

The key phrase here, of course, is "stable long-run".
This clearly cannot apply to today's market, in which the collapse of expectations of October 1967 is still making its effects felt. Accordingly, many prudent bankers the world over have watched competitors increase profits through booking high-margin business, and have suffered increasing temptation to leap on the band-

When they succumb, this is frequently justified with the belief (that is, hope) that the risks have been overestimated relative to the return, and by pointing to pressure from investors to maintain dividends and earnings.

This process is inherently extremely dangerous for the

world economy, because such an over-optimistic view may infect the whole financial sys-tem, and not be confined to a single sector or risk category.

Your readers may now be saying: "Hold on - that's a bit extreme, isn't it?" Well, yes, it is, but it should be no less plausible for that. Recent financial history is littered with incorrect projections based on past performance. Contrary to your leader's

conclusion, increased regula-

tion of banks' risk concentrations is most emphatically not

the appropriate response.

Increased regulation of risk concentrations will not prevent bankers from taking excessive risks in aggregate, which could still leave banks very exposed to a severe recession which devalued a broad range of financial assets, such as LBO (leveraged buy-out) debt, prop-erty and other real assets.

If people feel protected by regulation, they also feel free of the fear which should counterbalance greed, as your editorial comment on the US deposit insurance system implicitly acknowledges.

Regulation imposes costs, both of a monetary nature and, more crucially, in tying up senior management time which would be better spent on planning and executing long-term competitive strategy. The effects of these costs are already evident, particularly in London, and will undoubtedly accelerate greatly the structural change of the London securities market in the next few years in ways which may not be wholly desirable from a

UK perspective. Significant structural change is unavoidable in the next five years if world-scale financial institutions are to survive from a European, particularly UK

Ensuring that the UK's financial institutions remain strong requires much managelong-term objectives which dominates short-run consider-Accordingly, it is essential

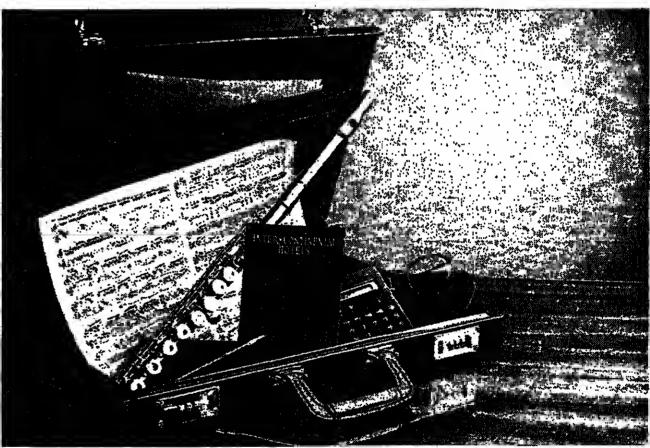
that investors, regulators and governments take a long-term view of the value of financial institutions. Investors, in particular, must be induced to back top quality management operating with

clear long-term objectives, and not be favourably impressed by a short-term dash for earnings.

Many other world-scale
financial institutions are
playing the long-term game the present tendency of UK and US institutions to mortgage their future through focusing heavily on the short-term is analogous to bet-ting their business by borrowing short and lending long -which is, of course, how many US "thrifts" ran into trouble.

K.J. Phair. Cherryston

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FINANCIAL TIMES

Thursday January 12 1989



Dollar strength prompts concerted bank intervention

FURTHER DOLLAR strength yesterday prompted frequent central bank interventions. while sterling received an unintended boost from Mr Nigel Lawson, the UK Chancel-lor of the Exchequer, which left the pound et a 2½-year high against the D-Mark, writes Simon Holberton.

writes Simon Holberton.

The intervention involved most European central banks, the US Federal Reserve and the Bank of Canada, most of which

sold dollars for D-Marks. The Bundesbank, the West German central bank, said the interven-

tion was co-ordinated.

European central bankers described the intervention as "routine" and not particularly heavy. One said the total was only \$200m to £300m. The moves, however, knocked the dollar at least temporarily and underlined the market's nervonsness whan there are reports of central bank moves. reports of central bank moves.

By the close in Europe the US currency was at DML\$285 against Tuesday's close of DML\$360. At the close in New The Bank of England also York the dollar stood at

DM1.82525.

The dollar's strength against the D-Mark is creating problems for the Bundesbank, which remains concerned about West Germany's infla-tion outlook and the growth in its trade surplus. Some officials in the Bundesbank suggest

The Bank of England also intervened, selling sterling for D-Marks, in a move interpreted by the market as designed to slow the rapid rise of the pound, not primarily to support the dollar.

The move by the central banks coincided with a report of Mr Lawson's comments after

leaving a meeting of the National Economic Develop-ment Council Reuters, the news agency, reported him as saying be was not worried about sterling's latest strong rise. "It's alright", was his

reported remark.

The pound rose swiftly after the report to close at a 2%-year high against the D-Mark at DM3.2575 after gaining 2 pfennigs over the day and rose 1.8 cents to close at \$1,7810.

Delors tries to revive **EC** labour talks with employers

By David Buchan in Brussels

A BID TO breathe fresh life into the "social dialogue" between Europe's employers and trade unions will be made today when Mr Jacques Delors, the European Commission president, brings captains of both sides of industry together at a special confer-

nce in Brussels.
As part of his effort to add "a social dimension" to Europe's emerging single mar-ket, Mr Delors will try to meet union complaints that the past mion complaints that the past four years of talks with employers have produced no concrete action, without aggravating the latter's fears of getting dragged into laying the ground for unwelcome new PC-level social large-ties EC-level social legislation. Mr Delors is expected to pro-

Mr Delors is expected to pro-pose to Unice, the European employers federation, led by Mr Karl-Gustav Ratjen, a board member of Volkswagen and Metalgesellschaft, and to the European Trade Union Confederation (Etuc) that they hold more regular summit hold more regular summit meetings to give the social dia-logue a new political impulse. The last such summit was in

January 1985, convened by Mr Delors in one of his first acts as Commission president. Searching for consensus, Mr Delors will propose continua-tion of discussions on worker training and labour market flexibility, on which both sides

of industry have already But it is the fact that these are nothing but opinions that has led the Etuc, led by Mr Ernst Breit, head of the West German DGB trades union federation, to complain that the

dialogue has just become a "social car park" in which to immobilise issues on which employers want to action.

The Etuc this week said the social dialogue "must serve as a reference for legislative and regulatory initiatives by the Commission," and that it must be decentralised to "the level of sectors, branches and multi-pational communics."

national companies. Etuc officials reject Unice's retort that this smacked of Europe-wide collective-bargaining. They point, as a model for concrete action on a sectoral level, to last October's agreement on training by the Euro-Flet grouping of clerical and technical workers with the European Federation for the Retail Trade.

At today's gathering at the Palais d'Egmont, Mr Delors will be putting his diplomatic skills to the test. He has aroused union expectations of imminent RC action by tour-ing big national union confer-ences last autumn, including that of the UK Trades Unions Congress whose general secre-tary, Mr Norman Willis, will

be in Brussels today.

He also shares the Etuc's view that the social dialogue should not be allowed to detract from other Brussels legislative initiatives for worker health and safety rules, worker participation in management and s new char-ter of trade union rights.

On the other hand, he does not want to appear to be wan-tonly escalating an ideological confrontation over social issues, either with national leaders or within his new Commission in which Mr Delors and his fellow socialists are outnumbered 11 to six.

Airlines begin engine checks Continued from Page 1

viewed again yesterday by crash investigators but the details of their conversation

were not revealed. Salvage crews yesterday began moving the central sec-tion of the crashed aircraft

British Midland said yester-day it would make immediate payments of £5,000 (\$8,900) to each of the survivors of the crash and to the next of kin of everyone who died "for the immediate relief of financial

THE LEX COLUMN Abbey passes the collection box

While the Abbey National flotation may be packaged as a rather smart way of unlocking value for its 7m customers, it is the only realistic way that it can hope to raise the Elbn plus which it desperately needs to play among the hig boys of European finance. The amount is more than Barclays Bank's controversial rights issue of last year, and not far short of what the TSB took from the market in its nasatisfactory flotation. Of course, Abbey National is not the same sort National is not the same surof animal as the TSB, which
was forced to raise more
money than it needed in order
to dilute the value of the scrip.
Nevertheless, it is nearly doubling the size of its capital
base, and its obvious international ambitions would make any seasoned bankwatcher more than a little nervous.

Given the paucity of infor-mation about its future plans it is hard not to conclude that it is raising far more than it needs. For a group which is smaller than any of the big four clearing banks, an initial £250m rights issue would have been far more acceptable. But then the clearing banks do not have the bribe of so-called free shares to dangle in front of a

potential investor base of 5 km, and this is why there is little chance of the issue flopping. Whether Abbey National will make a sensible longer term investment is more debatable. Its record to date is good, and its balance sheet is far cleaner than most banks. But it is amazing how even the biggest financial institutions can quickly lose film these days, and Abbey is giving no prom-ises that it will not be back for

Maxwell The brief burst of enthusiasm with which the market greeted Mr Maxwell's capture of Macmillan seems to have evaporated, and it is not hard to see why. Despite yesterday's details of disposals effected and under negotiation, there is still deepconfusion about the emerging shape of the business. Perhaps most perplexing is the renewed commitment to group sales of between £5bn and £5bn by the end of the decade (meaning by Decamber 1990). It is implicit in the move from printing to publishing that MCC should sell turnover faster than it buys it: in 1987, its printing margins were 7 per t, whereas Macmillan and

OAG had margins of 13 per cent and 40 per cent respec-Mr Maxwell's reply to this, slightly unnervingly, is that it should soon be possible to hit

Specialist retallers. Share prices relative to the FT-A Stores Index Body Shop 160 140 120 Sock Shop

the acquisition trail again. Net of the \$1.38m disposals listed yesterday, and taking all of Macmillan and OAG onto the Macmillan and OAG onto the halance sheet, net debt will apparently stand at \$2.5bn. Knock off the sale of the US printing plant — due in the course of 1989 — and the figure falls to \$1.5bn. The grand strategy of acquiring media and communications companies can then resume, with the promise that there will be no

promise that there will be no use of paper.

The market price of 194p says it believes none of this indeed, a yield of almost 10 per cent generally implies that the market doubts the security of the dividend. It could be quite wrong about that, but the whole stratesy still looks like a whole strategy still looks like a race between Mr Maxwell's ambitions and the means to afford them.

Retailing

A blanket distrust of all retailers, especially those led by a visionary, would have proved such a sound invest-ment principle over the last two years that it is tempting to apply it to Body Shop and Sock Shop willy-nilly. However, the market persists in awarding both premium ratings, for the positive reason that there is room for further expansion, and for the negative one that neither indulge in the dubious accounting or the macho acqui-sitions that have undone some

of their retailing peers.

There the similarities end, and yesterday's 36 per cent per cent from Body Shop dis-guised the differences, Sock Shop is going into another period of rapid growth with 100 per cent gearing, having paid fancy premiums for its recently acquired sites, and is now showing no underlying volume growth at all. Body Shop is ungeared, has already proved bow well its format travels overseas, and unlike

almost all other retailers is still increasing its sales from existing space by 20 per cent or so. One had a neat thes, which it has carried out reasonably efficiently so far, while the other had a brainwave, and one that is still fluencoxing imitators. It all suggests that the 50 per cent undesperformance of Sock Shop relative to Body Shop this year is not unfair, and that the latter may just deserve a multiple of 25 or so. Eventually the Body Shop miracle will end, but these who feared saturation in the startest for peppermint foot balm some for perpermint foot balm some three years ago may admit that it has a good few years to run

Water mergers

The Government's policy towards the UK water industry is getting murkier by the day. Having decided to return the industry to the private sector in order to stimulate competition, it is now taking steps to protect private sector transposition, and the private sector transposition is a new taking steps to protect private sector transposition in order to provide the law to the private sector transposition in the law taken the provider that the private sector transposition what it describes as "computative competition". In a statement which does the Civil Service proud; the Government's latest but of interference is likely to make the eventual structure of the water industry of the 1996s the water industry of the 1998s look even more antiquated. It should probably have acted before now to quell the wave of takeovers in the industry, but its decision to allow future hids to be turned down solely on the grounds that a successful deal would reduce the number of water course.

the number of water compa-nies in independent ownership is unusually broad. The main aim seems to be to curb-the predatory appetites of the French and the water sutheri-ties, and whilst it will defuse the growing political row about the speed with which the independent water companies are pendent water companies are disappearing, it is going to do nothing for competition in the industry. Given that the Gov-ernment has also promised to equip the water authorities with 5-year golden shares, any chance that the threat of the over would improve efficiency has all but evaporated.

Harris Queensway

In the Lex Column of Dec ber 22 1988, under the heading "Stretched sums st Harris Queensway," reference was made to s failure to cap interest costs. This referred to the financing arrangements made in connection with the acquisition of the company by Lowndes Queensway, not to the financial management of the company prior to the

Consortium seeks US funds for **UK** reactor

By David Fishlock in London

AN Anglo-American consortium including Rolls-Royce and the UK Atomic Energy Anthority is drawing up plans for a novel design of nuclear reactor which it hopes could give Britain a second chance to enter the interna-

tional reactor market. The American partners are the engineering groups Com-bustion Engineering and Stone

and Webster.

The project involves what they call the safe integral reactor or SIR, a 300MW reactor aimed at markets beyond the

Based partly on Rolls-Royce Based partly on Rolls-Royce experience with submarine reactors, the group is hoping to submit its ideas to the US Department of Energy next month. It seeking \$50m of US funding toward a detailed design and, if successful, will try to raise a similar sum in Britain.

If successful, the consortium will try to raise a similar sum in Britain. The cost of the design is put at some 20 per cent of the capital cost.

Rolls-Royce and Associates the company's nuclear specialists, and the UK Atomic Energy Authority, have been collaborating since the summer. They were joined in the autumn by the two US engineering groups.

In London yesterday the four signed a memorandum of understanding to pursue SIR as "a new market opportunity" Sir Francis Tombs, chairman of Rolls-Royce, said be believed it might prove an interesting development of the company's present nuclear interests. It has built and services 20 small pressurised water reactors for the Nevy.

The memorandum was an agreement to study funding and market opportunities, and it was too soon to judge its significance, Sir Francis said. Mr Dick Knapp, business director of Combustion Engineering, said the venture would want the US Govern-ment to certify a design it could build anywhere in the world. He expected to get the Energy Department's answer to its request for funds within 90 days of the submission.

Background, Page 8

Bonn softens attitude to US allegations over Libyan plant

By David Goodhart in Bonn

West German Government appears to be coming round to the view, pressed vigorously by the US, that West German companies have played an important role in supplying the alleged Lib-yan chemical weapons plant. Reuters quoted an unnamed government official saying: "We are in possession of evi-dence which shows that the US

allegations are not ground-Chancellor Helmut Kohl was also careful in his start of the year press conference yester-day not to rule out the involvement of German companies. This marks a change of tone from the prickly defensiveness of earlier official statements which have emphasised the flimsiness of US evidence and, by implication, the high-hand-edness of officials in Washing-

Mr Kohl, for example, had said in an interview published in Die Welt yesterday that it was intolerable to put Germans in the dock without evidence adding that "this is no way to treat friends."

The change of attitude, which has been accompanied by a fresh raft of allegations against named companies in the German media, may be a consequence of the arrival in Washington of e group of Ger-man officials who are there to take a closer look at CIA eviinst named companies in

it was also announced yes terday that the criminal investigation department of the cus-toms anthorities, based in Cologne, had begun a formal investigation into the Frankfurt company IBI Engineering owned by Mr Ihsan Barbouti, an Iraqi businessman based in London.

Today Stern magazine is due to publish further allegations about the involvement of Imhausen-Chemie, the com-pany originally named by the US authorities, which was sub-sequently cleared of any involvement by the relevant German officials.

The Government's hope that Tuesday's announcement of new export control regulations

tive effect on US-German relations - thus seems to have been dashed.

However, one US official said yesterday that the new export control proposals did represent an important step in the right

direction.

Mr Rohl also yesterday became embroiled in a difference of opinion with Mr Rupert Scholz, his new Defence Minister who has been having a rough ride over the issue of cutting back on low-flying by

The Chancellor, who has hitherto firmly supported Mr Scholz, said, in response to public comments from the Defence Minister over the necessity for modernisation of short-range nuclear weapons, that public discussion of modemisation was "not useful."

Another issue touched on in

the start-of-the-year press conference was corporate tax reform - which, Mr Kohl said, would be examined and debated as soon as possible after the next election on December 9 1990.

Banks may make medium-term loans to indebted countries

By Stewart Fleming in Washington and Stephen Fidler in London

A STRONG indication that commercial banks would be willing to make medium-term commitments of new funds to highly indebted countries came in a report issued yesterday by s Washington-besed forum for

international banks. The report from the Institute of International Finance - endorsed by the large banks which make up most of its 186 members — says such medi-um-term loans from banks would be possible only if the international institutions such as the World Bank make simi-lar pledges and if debtors give priority to the private sector in their development efforts. In previous financing agree

ments with debtor countries, banks have only made loan commitments for a sbort period ahead. This has been criticised as inappropriate in tackling debtors' economic

The decision by the group to

produce the report, entitled The Way Forward for Middle-Income Countries, reflects a recognition by banks that significant changes in the approach to the debt crisis can be expected shortly and repre-

sents an effort to influence the way the debt strategy evolves. President-elect George Bush said last mouth that the US was examining how to revise the debt strategy. Mr Barry Sullivan, chairman of the insti-tute and chief executive of the First National Bank of Chicago, agreed at a news conference yesterday that banks ence yesterday that banks "were no longer mortally threatened by the debt situation". He said: "1989 will be a very significant year as we grapple with this situation."

The report, which says that detailed plans would continue to have to be nagotiated on a case-by-case besis, stressed that in the long term the interests of the banks and the

debtor countries were interdependent. But banks "need a new rationale to stay in the Also cited as components of

a more vigorous attack on the debt problem were continued efforts by the developing countries to improve their economic performance, sensitivity by the industrial countries to the impact of their economic policles, the need to remove regulatory, tax and accounting impediments to new bank lending and for international financial institutions to play a higger role.
While voluntary debt reduc-

tion programmes should play an important role, forcing the banks to write off debt would be tantamount to requiring them to provide foreign aid to developing countries and would choke off future capital flows.

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Barclays defends role in GEC bid plan

Only a small number of senior executives "sit astride" the walls because they are at the top of the management pyra-

mid.

As a director, Lord Prior would not have been told in advance of any major financings because the board is not involved in credit decisions, though major deals are reported to it in due course. Even BZW, Barclays' investment banking arm, did not

Even BZW, Barclays' invest-ment banking arm, did not know about it.

In the GEC case, the pres-sure on Barclays to accept the £3.5bn debt finance for the £3.5bn debt finance for the deal was considerable. Apart from its size, there was the nigh certainty that other hanks, probably foreign, would supply the money if Barclays did not. There was also a feeling in some parts of the bank that Barclays should back a British-led bid for GEC, if only to pre-empt a foreign if only to pre-empt a foreign

According to the version of events given by Mr Quinton and others close to GEC and the bidding consortium yesterday, Barclays first began to get into a potential conflict with Lord Prior and GEC last November. At that time, a document came into GEC's hands which indicated that Barclays was preparing to back a take-over of GEC. The structure was different from the present one and entailed bank financ-

ing of 25bn.
GEC was "amazed," according to one official there, and Lord Prior immediately telephoned Mr Quinton to ask for an explanation. Mr Quinton replied that the hid was "hypo-thetical" and sought to allay Lord Prior's concerns. But he was unable to give a cast-iron guarantee that Barclays would not finance of MrC medicine.

not finance a GEC predator.
The present bid was then planned over the new year, and Bardays was approached and Barciays was approx

last week to help raise the money. All the decisions relat-ing to it were taken at senior management level, but non-executive directors were not informed. It was even checked out in advance with the Takeover Panel, according to Mr Using established practices,

Barciays' senior credit manag-ers sounded out their opposite numbers at other potential participant banks last Friday, initially by saying it was a hostile hid and giving the size of the financing, but without identifying companies. If the other banks expressed interest, they were then told who the bidders and target were, and invited to join the deal. It was one of these banks, believed to be Société Générale of France, that passed the information on to GEC. Within minutes Lord Prior again tele-phoned Mr Quinton. This time Mr Quinton had to confirm

that the bid was real.

In fact, the call came as a relief to Mr Quinton, who had been facing the difficult task of breaking the news to Lord Prior. He had intended to contact him shortly before the bid was announced, but the call precipitated events

was announced, but the call precipitated events.

The question arises why the bidding consortium went to Barclays, knowing the target's chairman was on its board. According to those close to the hidders, it was because Barclays was Piessey's lead bank. Lord Prior's presence on the board was considered to be a problem that Barclays should address itself.

Quite how unsettling Bar-Quite how unsettling Bar-

clays' stance will prove with other bank clients remains to seen. Mr Quinton said he had received no representa-tions from other non-executive board members, and had no intention of changing Bar-

WORLD WEATHER



Mexican unions in protest

strated in the centre of Mexico City for "la Quina's" release.
Long queues built up at petrol stetions and soldiers
guarded state-owned oil facilities against possible sabotage.

Soldiers also occupied installations owned by Pemer, the state oil concern, in the northern border city of Reynosa and in Villahermosa, capital of the oil-rich Tabasco state. Pemex said last night that refinery operations were returning to normal. The company maintained that 1.3m barrels a day oil exports would not be Oil workers were instructed

to return to work by Mr Salvador Baragan Comacho, secre-tary general of the union, as petrol deliveries from the capi-tal's refineries continued through under armed guard.

Mr Baragan gave the order
from a hospital where he is under detention with a heart condition. On Tuesday he responded to an appeal to sur-

US parents must account for their subsidiaries By Pretap Chatterjee in New York YOU CAN expect Ford, the US companies have argued. YOU CAN expect Ford, the US companies have argued. As a result they have been try to attempt to tackle the actually doing the readers of represented Arthur Anderson test of when a apheidi

YOU CAN expect Ford, the US automobile manufacturer, approximately to double in size when it publishes its accounts this year. You can also expect its debt-

anything up to 16 times (Ford's own estimates).

No, Ford is not about to make a huge bond issue, nor is it to the state of the state o

it going to acquire any other

This change in its apparent fortunes is merely the result of a new accounting rule – Financial Accounting Standard 94, a product of the Financia Accounting Standards Board

The rule requires US compa-nies to include all their subsid-iaries in their group accounts. Its effect will be seen for the first time in annual reports for 1988 due out over the coming weeks. Until new companies weeks. Until now companies have been allowed to exclude from their main accounts any subsidiary that carried out business that was significantly

Big car manufacturers have applied this rule to their finance subsidiaries, which were set up to lend their customers money to buy cars.
These subsidiaries, which in some cases have assets as large as their parents, are in the business of automobile finance and so have little to do with automobile manufacturing, the

different from that of its per-

companies have argued.
As a result they have been excluded from the consolidated accounts and relegated to a

formatics.

From this year, they must be lumped together with their parents, giving readers of their accounts a perspective of the financial structure of the group

Hence the position of Ford, which owns Ford Motor Credit. Companies in other industries, such as retail chains like Sears, also have finance sub-

It is possible to construct a consolidated balance sheet from existing published information already

sidiaries, but car manufacturers like Chrysler, Ford and General Motors have the largest operations of this

For these companies, leaving out the assets and liabilities of their subsidiaries has made it possible to keep their balance sheets nice and tidy. It has the effect of improving the cashflow, liquidity and financial ratios of the narms.

try to attempt to tackle the conaolidation problam, although it is the first to abolish the "dissimilar business"

Companies, needless to say, are not pleased. Auditors and financial analysts, meanwhile, are divided in their opinion. Some point out that all the required information is available outside the main accounts for those who want it, so the change will merely be cos-metic. It is posable to con-struct a consolidated balance sheet from existing published

information already.

This view is based on the belief that disclosure, rather than presentation, is the key concern.

Bnt as Mr Gerald White, chairman of the financial accounting policy committee of the Financial Analysts Federa-tion, says, disclosure itself is not standardised but varies from company to company, making it difficult for analysts to keep track of what is going on. "You may not know what you don't see," he says. FASB has tried to tackle this

problem by requiring greater disclosure, at the same time as full consolidation. However, it has not specified a standar-dised format for the informa-

Another argument against the new rule is that, by forcing companies to disclose all sub-

actually doing the readers of accounts a disservice. It makes sense to leave out subsidiaries in different businesses: lumping them together with their parents is like adding apples to pears, and the resulting fig-ures tell tha reader nothing

Take the case of an insur-ance company owned by a manufacturing company. The

There are worries that the rules will lead companies to find other ways of keeping liabilities out of their balance sheets

liabilities and assets of one are different in nature from those of the other.

For a company like Loews Corporation, which already consolidates its majority-owned insurance company with its tobacco operations, misleading impression may be created of the group's overall financial situation. Billions of dollars of financial assets are held against future claims, and indeed the company's ability to dismose of these assets is carefully regulated.

represented Arthur Andersen at hearings held by the FASB on the subject, says that con-solidating all majority-con-trolled subsidiaries in this way is not the best means of tack-ling the problem. He admits, however, that it is difficult to

find a reasonable alternative.

A compromise on this point has been reached in Canada, where finance subsidiaries are specifically targeted for consolidation, provided they primarily handle the accounts of their parent. But many feel that finance companies are only one

aspect of the problem.

There are wordes that the new rules will lead companies. to find other ways of keeping unattractive assets and liabilities out of their balance sheets.

One possibility is the formation of a joint venture with another company, which then technically becomes the majority owner. Under this arrangement a corporation could retain effective control while keeping a subsidiary out of its

FASB is aware of these sues. The consolidation rule, FAS 94, was only the first part of a wider project. It is still working on the second part defining what a group is for reporting purposes (known in the jargon as a "reporting

One of the proposals under review is that control, rather

than ownership, should be the

test of when a anbsidiary should be included. This would bring the US into line with the UK, which plans to enact a similar provision in tha cur rent Companies Hill.

Meanwhile Ford, according to its accounting director Mr Dan Coulson, is planning to show the assets and liabilities of its various subsidiaries sepa-rately on the face of its balance sheet. And Chrysler is reported Acton.

to be planning to issue a set of accounts in the old format, to be called, appropriately, "Chrysler Classic." Tax advisers: The table two weeks ago of leading tax advis-ers did not include Grant Thornton. The firm has since indicated that its fee income from tax work amounted to £21.3m in the year to June 30 1988, an increase of 13 per cent from the previous year. It had 456 tax professionals at the

Mr Philip Hardman, Grant Thornton's national director of tax, says of the huge growth of the number of people working in the tax field indicated by the table: "It's a national dis-grace." He argues that this mountain of talent could be put to better use elsewhere in the economy, rather than on helping people reduce their tax bills, but declines to throw in the towel himself because it is too late in his career. Any

INVESTMENT BANKING

City £38,000 + Full Banking Benefits

Rapid growth within the business review function of this world leading bank has lead to the creation of a new senior managerial position. Giving direction to teams of ambitious young accountants this role also forms an important interface between the finance and technical arms of the organisation. Candidates should be ACA's aged under 35 with a. demonstrable record of achievement within investment banking.

For further information please contact Lee

SYSTEMS

£24,000 to £30,000 + Car London

We are particularly keen to meet ambitious accountants with proven systems skills or a keen interest in developing them. One of our clients, a prestigious service group, is offering bigb profile project systems positions to qualified accountants aged 26-35. These roles give variety, technical challenge and will act as a springboard to senior line and general management within the medium term.

For further information please contact Greg



ACCOUNTANCY APPOINTMENTS

Financial Director

Managing Director opportunity c£50,000 + excellent benefits Winchester

The company, backed by one of the most prestigious names in insurance, is rapidly expanding and highly profitable. Occupying a specialist niche in the financial services sector, the company is polsed to further accelerate this growth record. A Financial Director is to be appointed to help create an appropriate financial structure for these new developments to take place.

The role will be wide-ranging and challenging. As a senior member of the management team the Financial Director will be closely involved in all business strategy formulation while taking a strong 'hands-on' approach

CITY OF LONDON

to the development of controls, budgets and reporting systems appropriate to the new phase of the company's growth.

Prospects are excellent. Success in this position will bring the opportunity to move into a profit responsible, Managing Director role after a year. Ideally aged in your mid-thirties you will be a Chartered Accountant with at least 3 years senior management experience in the financial services or property sector. You will have created systems and controls in a rapidly expanding company and have proven skills in contributing to strategic decisions. Commercial

CORPORATE TAX MANAGER

trading organisations.

all the foreign subsidiaries.

ability plus the potential and aptitude to move into a general management role are essential.

In addition to the excellent negotiable salary, the package includes quality car, guaranteed bonus, share options and other benefits.

Please telephone Christopher Bainton on 01-3787200 ext 4232 for a confidential discussion or alternatively write to him enclosing your CV quoting reference MCS/2030 to: **Executive Selection Division** rterhouse **Management Consultants** No. 1 London Bridge

London SE1 9QL

CIRCA £25,000 +

FULL BENEFITS PACKAGE

Our client is one of the City's most successful international commodity

As a result of rapid expansion, they now wish to appoint a Corporate

Taxation Manager whose main responsibility will be to deal with tax compliance

for all the UK subsidiaries and also to co-ordinate the on-going tax position of

This is an excellent opportunity to join a well managed and highly profitable

experience either gained within the Inland Revenue or through a professional

If you are interested please send your CV in the first instance quoting Reference CRS/FT121A stating clearly under separate cover any companies to which you

The successful candidate will have some 4 – 5 years corporate taxation

qualification with a major firm of Chartered Accountants.

LAVERY ROWE ADVERTISING LTD

18 Chenies Street London WC1E 7EX: 01-631 4262.

do not wish your application forwarded.

Price Waterhouse



Finance Director

c.£35,000 plus excellent benefits

Oxon

This small private company is a fast growing market leader In the design, manufacture and distribution of high quality educational products. The brand names are first class and have achieved considerable commercial success. In common with small businesses, the company has reached the stage where it requires the expertise of a Finance Director to work as part of the determined executive team in expanding the company both organically and by

Reporting to the Chairman, the Finance Director will have complete responsibility for the financial operations of the business including; developing systems for reporting, forecasting, planning and budgeting; cash management; taxation; financial and management controls; business development and acquisition appraisals. The appointee will be the Company Secretary and will review the share

Candidates must be qualified accountants in their mid 30s to mid 40s with a strong, broad ranging background gained in small to medium sized manufacturing businesses. Strengths will include abilities in system development and staff management, along with a knowledge of computerised accounting systems and acquisitions, Ideally you will have a solid grounding in costing and a well developed commercial appreciation of business issues. Your positive practical style will be results oriented and you will be keen to see the business improve.

If you are interested in this excellent long term career move, please reply in confidence giving concise career, personal and salary details to:-Michael Fahey, Ref ER142, Arthur Young Corporate Resourcing,

Arthur Young Composite Resourcing

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Group Commercial Director

Central London

Package to £100,000

Our client is a profitable and rapidly expanding ple engaged in the International field of marketing con a result of outstanding growth and continued success, they have identified a requirement for a Group Commercial Director. The successful candidate will play a key role in advising on corporate funding, investments, future mergers and acquisitions and the development of commercial policy and opportunity.

Reporting to the Chief Executive, the appointee will serve on Group and Divisional Boards and play a significant role in the strategic expansion of the Group.

Candidans aged between 38-50 will be energetic, innovative and commercially orientated business men, most probably Chartered Accountants or numerate MBAs, who can demonstrate a progressive track record preferably gained in a fast moving and aggressive entrepreneurial service industry environment. They will be self motivated, organised and have the strength of personality to make an immediate and significant contribution to the future growth and development of the group in its UK and overseas markets.

If you meet this demanding criteria, please send a detailed c.v including current salary, to Don Day FCA, quoting reference LM009 at Spicers Executive Selection, 13 Bruton Street, London W1X 7AH.



SPICERS EXECUTIVE SELECTION A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

FINANCIAL CONTROLLER

Specialist Recruitment Division.

c£20K + Benefits

PATERIAL I

ALBUTAN

madoe;

We are a young and rapidly expanding Company based in Southampton and engaged in a diversifying

Our success demands that we now need a qualified Accountant to join us as Financial Controller. In this position, which reports to our Managing Director, you would be involved in all espects of the financial operation and would play a crucial role in halping to steer the Company on its next stage of growth and profitability. You'll need good technical accounting skills, be ambitious and able to participate fully as part of a fest moving and

Good career prospects. In the first instance address your CV to: The Managing Director, Total Home Improvements Ltd., Suite 110, Solent Business Centre, Southempton, SO1 0HW. All envelopes to be market uridenesna zeriv.



Total Home Improvements

Our client is a Music Industry Organisation with an enviable reputation within the Entertainment Industry. The company's activities have increased dramatically which has created an immediate need for the appointment of a;

W1 Location COMPANY ACCOUNTANT circa £24,000

who will be based in their Head-Office located in the West End.

Reporting directly to the Chief Accountant the appointee, who must be a fully qualified CA, ACCA or ACMA will assume responsibility for the supervision of nine staff and provide Management with financial information.

Ideally candidates should have a working knowledge of Money Markets, VAT Returns, Company Pension Schemes and have had some experience of Personnel matters.

The company has its own IBM Mainframe (System 38), it is essential therefore that candidates have a broad experience with computers.

opportunity to develop within a successful organisation.

To apply for this appointment, please send your CV to LIONEL ROSE or telephone him at his office. If daytime contact is difficult, please call him after 6.30pm on 01-954 4321 for a confidential discussion. BARCLAYS EXECUTIVE APPOINTMENTS

Morritt House, 58 Station Approach, South Ruislin, Middlesex HA4 6SA.

Relephone: 01-842 1216 (24 hours)/01-842 0676, Fax: 01-842 0266.

BARCLAYS

FINANCIAL DESIGNATE LLOYD'S MANAGING AGENCY

c £35K + Bens + Car

Our client is a highly successful, rapidly expanding Managing Agency. They need an energetic and ambitious Chartered Accountant to take full responsibility for the company's accounting and finance function.

This is a KEY POSITION FOR THE FUTURE DEVELOPMENT OF THE BUSINESS. The role will entail a 'hands-on' approach to all aspects of the compaoy's accounting transactions including the preparation of management and statutory accounts, budgeting, forecasting and the financial review of new projects and expansion plans.

Applicants should be computer literate and aged between 30 and 35 with extensive accounting experience in the Lloyd's environment.

For more details, please write with extensive CV, quoting Ref. PGC, FT1 to Paula Manning.

LITTLEJOHN FRAZER 2 CANARY WHARF LONDON E14 9SY

Chief Accountant

Construction Industry-Global Group

West London

Our client is part of a diverse international construction group. Turnover exceeds £800 million and activities are wide ranging in the UK and internationally.

The Finance Director seeks a mature and experienced Chief Accountant to lead the 20 strong accounts team - including two Financial Controllers. Responsible for production of financial and management accounts, treasury functions, planning and budgeting, you will support business units at all stages of contract work – effective liaison and controls are crucial. Your emphasis is on managing and developing your team involving some overseas travel.

A strong leader you will be a fully qualified accountant with knowledge of computerised systems. You will have a successful

& excellent benefits track record in a management role for a sizeable, multi-site operation. You have excellent communication skills and are

to £33,000 + car

committed to creating change. The attractive remuneration and benefits package is comprehensive and prospects are good for professional development.

Please reply to Barbara Robertson in strict confidence with details of age, career and salary progression, education and qualifications, quoting reference 5186/FT

Management Consultancy Division P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL APPOINTMENTS

ADVERTISING

For further Information call

01-248 8000 Candida Ravmond ext 3351

Deirdre McCarthy ext 4177

Paul Maraviglia ext 4676

Elizabeth Rowan ext 3456

Patrick Williams ext 3694

Patrick Sherriff ext 4627

Group Financial Accountant £32,000 + Car

The role of Group Financial Accountant invariably calls for the highest levels at technical skill. At the headquarters at this major international group it further requires the confidence to give guidance and direction to senior management in a dynamically changing

Their need is for a determined, knowledgeable and innovative young professional with the ability to set the Group's accounting standards and the interpersonal qualities to introduce them effectively standards and the interpersonal qualities to introduce them executely across the Group worldwide. The clarity of mind to assess complex situations and present comprehensive proposals and solutions is vital.

Applicants must be groduate Chartered Accountants able to provide the technical lead in all matters relating to UK statutory reporting and regulatory compliance. Some exposure to US GAAP could be of advantage. Rapid progressian within the Group is assured for the right individual. Age guide, 28-33.

Please reply in confidence auotina reference E151 to:

Please reply in confidence quoting reference E151 to:

Margaret Mitchell FCCA Mason & Nurse Associates London-WC2E 7EB

Mason Selection & Search

PLANNING & ANALYSIS

West of London · Age 25-29 · £23-25,000 plus car Our client, a 'household name', is a rapidly expanding plc. A strong reputation for its aggressive, dynamic, financially-driven management has made it the leading company in its consumer service sector.

This broad analytical role offers the opportunity to make an impact upon company performance and contribute to the majority of business decisions, with daily exposure at senior management

Responsibilities will include forecasting and planning, pricing recommendations, new product appraisal, identifying profit opportunities, evaluating capital investment and staff management. As part of a small planning team in a highly computerised environment you will provide management reporting to tight deadlines using sophisticated financial modelling techniques. This excellent career opportunity will appeal to a qualified accountant, with previous exposure in a commercial environment and possessing the ability to liaise with multi-disciplined

A complete benefits package is offered including non-contributory pension and health care, plus

Please apply in writing to Jack Henderson, H.M.A. Recruitment, Chancery House, 53/64 Chancery Lane, London WC2A 1QS. : 01-242 1822 (24 Hrs). Fax: 41-831 4425.

MANAGER: OPERATIONAL REVIEW

ACA/ACMA

Age 25 - 28

£28,000 + 20% Bonus + Car

After a successful management buyout and subsequent public listing this dynamic company continues to strengthen its position through acquisitions and rapid organic growth.

A key individual is now required, reporting to the Group Financial Controller, to assist the finance functions of the various subsidiairies integrate smoothly into the group.

This is a newly created position and the successful candidate must have the strength of character and technical expertise to gain the respect of Finance Directors and General Managers alike.

Acting as Head Office's representative in the field, your reports on control mechanisms must command the confidence of the Board of Directors.

Line management positions will be available in the existing company and as more subsidiaries join the group. In addition to an excellent remuneration package, this is an exceptional opportunity for a qualified accountant to gain immediate commercial experience.

Interested applicants should telephone Richard Parnell on 0753 831515 or write to the address below, enclosing brief details.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS 4A High Street Windsor SL4 1LD e: (0753) 831515 Fax: (0753) 831171

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FINANCIAL CONTROLLER **BANKING**

City c.£40,000 + Car

Our client is the substantial City branch of a large German bank active in wholesale and retail banking with a subsidiary undertaking merchant and investment banking activities. They wish to recruit a Financial Controller to succeed the present incumbent who will be leaving early in 1989.

The Financial Controller will be responsible to the General Managers for every aspect of the accounting, budgeting, planning and control functions of the Bank and the Merchant Bank. There is considerable emphasis on financial and management reporting both to UK and German management together with reporting

to UK and German regulatory authorities. Systems are heavily computerised and the controller will manage a staff of 12.

Candidates must be mature qualified accountants with appreciable experience in financial services and banking procedures. They should be fluent in German, computer literate and experienced in staff control. The salary is negotiable around £40,000 p.a. plus car and a generous benefits package which fully reflects the seniority of this challenging post.

Please write in confidence with full career and salary details, quoting reference D3936 to John W Hills.

£25-30,000 p.a. plus car * Consolidating half yearly and year end financial results

and preparing financial information for the Group Annual Report and Public documents etc.

The main responsibilities of the second role will

plans and forecasts for the head office PLC and

Pinencial analysis of corporate costs.

Karen Wilson BA ACMA on 01-491 3431

(9895 633429 in the evenings/weekends) or wr to her at PMS, 14 Cork Street, London WIX 1PF

enclosing a recent CV and a note of current salary.

A knowledge of US accounting principles would be an



KPMG Peat Marwick McLintock

Outstanding Career Opportunities

MULTINATIONAL PLC SEEKS EXCEPTIONAL YOUNG ACAS

Executive Selection and Search 70 Fleet Street, London EC4Y 1EU

Central London

that this Group can offer.

SEARCH AND SELECTION CONSULTANTS

LONDON CONTROLLER

W. End

STRATEGIC CONSULTANCY

To £35,000 + PHI + NCPS + Relocation (where appropriate)

A rare opportunity to join a major strategic consultancy in its international headquarters in London, the further growth and development of this company necessitates the continued strengthening of its financial control and

JOU

MSL

You will report to the Executive Vice President in London and take responsibility for a team of people, some of whom are qualified. You will guide and control the production of financial and management information, meet standards set by the finance function, provide information to aid decision making and build strong working relationships with high profile senior executives as well as outside advisors.

To fit in with the fast moving culture you will require self-motivation and well established staff management skills. In order to be effective at the senior level you will need to be bright, presentable, firm and possess an ease of

You will be a young qualified accountant (most likely ACA), with 3 years commercial poet it is essential that you have a broad based background as you will be running the finance function, and you will already have had exposure to a demanding and pressurised work environment. This is likely to be your second move after qualification, and an involvement with a service business is a distinct advantage. After a commitment of 3 years, job prospects are excellent.

To discuss this position further, please call Harsa Savjani on 01-629 4463. Alternatively, write to her at the address below quoting Ref HS183.

OLIVER # McKENZIE

A MEMBER OF THE HARRISON # WILLIS GROUP

DUNLOP

FINANCIAL CONTROLLER

A Market leader in a Fashion related industry, seek to appoint a Financial Controller. The group operates several prestigious Landon premises as well as running a sister company in the U.S.A. The successful applicant will report to the Managing Director and be responsible for streamlining the accounting and administrative functions. This will include computerisation, together with the normal financial and management accounting roles. Thereafterwards you will be actively involved in the design and strategy of

the next planned stage of the company's growth ultimately leading to an U.S.M. listing. Candidates aged 28-35 should be qualified accountants with proven experience of working in smaller companies encountering rapid growth. In addition to generous benefits, career prospects are excellent. To apply please contact Antony Dunlop, on 01-439-6171 (0483-756580) evenings and weekends. C.V.'s may be sent by post or Facsimile on 01-743-4571.

ANTONY OUNLOP LTD LONDON SWIY 6HP TELEPHONE 01 439 8171

TLONDON AND AUCKLAND

The main responsibilities of the first role are: * Assisting in the development of Group accounting policies and providing expertise to assist head office

ivantage of the many and diverse career opportunities

Our client ended last year with yet another successful

This was just one more step in its overall strategy

Both roles will combine line responsibilities and a

rariety of ad hoc development work. The successful

idates must clearly demonstrate an ability to nderstand issues at a Corporate level. Equally important, owever, is the ability to develop within 18 months to take

wards continual growth and profitable develope Operating in branded consumer products in the retail, food and drink sectors, recent promotions have generated the

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Financial Controller

c.£30,000 + car + excellent benefitsCentral London

This US public Group is a fast growing market leader in the supply of travel and related educational services. It provides a wide range of high quality programmes worldwide and is expanding rapidly through both organic growth and acquisition. As a result the Group is seeking to appoint a Financial Controller to strengthen the European managementteam.

Based at the European head office the Financial Controller will be a member of the executive committee and will be responsible for further development of the computerised financial systems and their integration with the operational systems.

Other important responsibilities will include controlling the accounting and reporting for several subsidiaries, the motivation of staff and improving

controls and management information.

Candidates should be qualified accountants, in their early to mid 30s, with solid experience of computerised accounting systems gained preferably in a multi-company multi-currency environment. Strength in systems development should be combined with the practical ability to manage staff and control accounting operations. The necessary personal qualities include strong communication skills, drive, and a positive

Please reply in confidence, giving concise career, salary and personal details to: Michael Fahey Ref ER A24 Arthur Young Corporate Resourcing 21 Conduit Street, London W1R 9TB.

Arthur Young Corporate Resourcing

A MEMBER OF ARTHUR YOUNG INTERNATIONAL



CAMBORNE FABRICS LIMITED

nancial Controller

West Yorkshire

Cambonne Fabrics is the leading UK manufacturer of specialist textiles, designed and coloured for commercial interiors, with a turnover of approximately £20 million. Impressive growth has been achieved organically through investment in computer and textile technology, product development, high quality service and a programme of overseas expansion establishing a significant worldwide market presence. Their outstanding performance has merited the Excellence in Business

They now seek to recruit a Financial Controller who, reporting to the Group Finance Director, will assume full responsibility for all aspects of the finance function as well as the development of the management. information systems within the UK operation. As a member of the Executive Team,

c€25,000+Car+Benefits

the individual must be able to fully participate in the overall commercial management of the company. Candidates, aged 28-35, will be qualified accountants (ACA, ACMA, ACCA) who, in addition to a high degree of technical competence, must demonstrate leadership qualities, strong communication skills and the ability to make an effective contribution to the profitable development of the business. Career prospects within the Group are considered excellent, whilst success in this role will lead to an early Board appointment.

A comprehensive package including a profit related bonus scheme and full relocation facilities are available where appropriate. Interested applicants should write to James J. Russell, quoting ref: L8486, at Michael Page Finance, Leigh House, 28-32 St. Paul's Street, Leeds LSt 2PX. (Tel: (0532) 450212).

graduate with a professional qualification in treasury,

accounting or banking, and will have enjoyed several

years' experience in managing a treasury department

within a major PLC or comparable organisation. Familiarity with the latest techniques available to the corporate treasurer is essential, and experience in a

business with large on-going capital expenditures and related financing needs would be particularly relevant.

Success in this position will require planning and

Michael Page Finance

International Recruitment Consultants London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Group Treasurer

Up to £40,000 + Benefits An exciting treasury challenge

During 1989 it is expected that a new Yorkshire Water Services PLC will be established as a result of the Government's privatisation of the water industry. This company will have powers to diversify into other activities, and will enjoy the financial flexibility and opportunities open to other companies in the private

As part of the forward planning for these developments it has been decided to create within the overall Group Finance function a specialist treasury unit and a Group Treasurer is now to be appointed.

The task of the Group Treasurer will be to plan, build, and lead a professional treasury capability which will enable the company to manage its internal and external financial resources in the most flexible and cost-effective manner. The person sought for this key role is likely to be a

This key appointment, which will be located in Leeds. will command an attractive salary and benefits package, including an element of performance-related remuneration. If you wish to apply for this position please write - in confidence - enclosing a CV to Douglas Austin, ref. B.7107.

leadership skills of a high order.

MSL International (UK) Ltd., Offices in Europe, the Americas, Australiasia and Asia Pacific.



Treasury Accountant

Central London c£28,000 + car + benefits

TI Group, the multi-national specialist engineering group, has recently expanded its global treasury operation. As a result, a new position has been created for a Treasury Accountant in the London head office financial control group.

Reporting directly to the Controller, Accounting and Management the successful candidate will be expected to take on and develop day to day financial accounting, reporting systems and procedures relating to the breasury operation. This will involve: providing detailed technical support

In a fast moving environment, providing accounting information relating to foreign exchange contracts, liaising closely with other group head office departments and subsidiaries, and the production of a treasury reporting package for senior

management. ideally, you will be a qualified accountant in your mid 20's with up to three years post qualification experience. Previous experience in a treasury environment plus experience of the accounting treatment of treasury instruments is desirable,

an alert mind and a willingness to learn are essential.

Career opportunities within the TI Group are excellent either within the UK, European or US operations.

Please apply by forwarding a full CV, stating current salary, to Michael Madgwick, quoting reference MCS/1057, at: Executive Selection Division Price Waterhouse Management Consultants

No. 1 London Bridge

London SE1 9QL







GROUP ACCOUNTANT

International growth company c.£30,000 + bonus, car and share options

West Midlands

This high profile public group has built an outstanding reputation through the selective acquisition of a diverse range of low risk technology companies with unrealised potential.

The injection of capital, incisive business management and tight financial disciplines has turned and revitalised these businesses, placing them on a path of sustained growth.

In this stimulating environment the Group Accountant is a key member of the central team and will direct the consolidation of accounts, budgets, forecasts and cash flows of all the operating subsidiaries within tight deadlines.

In addition there will be responsibilities well beyond the accounting role in running an infinite variety of entrepreneurial ad hoc assignments and ensuring the computerised systems at the centre are consistent with the needs of rapid organic and acquisition based expansion.

Applicants aged 30+ should be qualified accountants currently holding a similar position within a comparable organisation or the No.2 role in a large international group. A breadth of commercial appreciation and managerial skill is an essential requirement.

Interested candidates should submit a comprehensive career resumé to R.R. Varley, FCA, quoting Ref. 22116/FT. The confidentiality of all applications is strictly guaranteed.

> Varley Walker & Partners, St. James House, 17 Horsefair, Birmingham B1 1DB Tel: 021-622 1133 A Fax: 021-666 6955



GROUP INTERNAL AUDIT MANAGER

Milton Keynes £25,000 + Executive Car

One of the UK's largest and most successful retail groups, The Gateway Corporation PLC is a diverse organisation comprising three principal operating divisions, Gateway and Wellworth supermarkets within the UK together with Herman's Sporting Goods, the USA's largest sporting goods chain.

It's an exacting environment for the audit professional – and you'll be taking on a role with direct influence on the future of the Internal Audit function within the group. Liaising closely with the Group Finance Director and a permanent Audit Committee, your brief will be to manage and undertake internal audit programmes in all our trading divisions and in the group's head office. In addition you will advise and assist the group Audit Committee in its monitoring of audit activity throughout the group (each division has its own operationally biased).

audit experience should have equipped you with a thorough understanding of the accounting based audit procedure associated with a high transaction retail environment. Although principally concerned with substantive testing, the function will include computer audits. You will occasionally be asked to perform special projects on behalf of the Board.

management and communication skills as well as highly credible and wide-ranging financial and commercial expertise. You will be required to travel extensively in the UK and visit the USA in order to undertake the audit of the divisions:

Probably in your early thirties, you'll need good

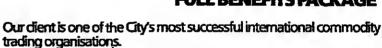
An attractive salary and executive car will be complemented by an excellent range of benefits...

Please write with full CV to: Mr.A. S. Perelman. Group Finance Director, Gateway Corporation PLC, Silbury Court, 418 Silbury Boulevard, Milton Keynes MK9 2NB.

A qualified ACA or ICMA, your substantial THE

SENIOR FINANCIAL ACCOUNTANT CITY OF LONDON

CIRCA £28,000 + CAR FULL BENEFITS PACKAGE



Due to recent rapid expansion, they now wish to strengthen their group accounting function by appointing a Senior Financial Accountant who will assume responsibility for a number of key information areas within the overall group. Specific duties will include production of monthly accounts, budgetting, operational standards review and a considerable amount of special project work which would entail some overseas travel.

This is an excellent opportunity for a young qualified accountant aged 25 - 30 years to join a well managed and highly profitable group which can offer superb future career development prospects.

If you are interested please send your CV in the first instance quoting Reference FT/121B stating dearly under separate cover any companies to which you do not wish your application forwarded.

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Specialist Recruitment Division. 18 Chenies Street London WC1E 7EX: 01-631 4262.



ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LTD 3 London Wall Buildings, London Wall, London EC2M 5PJ Tel: 01-588 3576 Telex No. 887374

A key appointment offering excellent international experience and prospects to become Finance Director of a subsidiary in 3-5 years.



GROUP TREASURER

£45,000-£55.000 (TAX 15.5%) MAJOR DIVERSIFIED INTERNATIONAL GROUP - ASSETS EXCEED 21.5 BILLION

For this senior appointment we invite applications from Group Treasurers, aged 35-45, who are professionally qualified (ACA, ACMA, ACT) with at least 5 years experience in the corporate Treasury of major multi-national commercial organisations. Overseas service will be an added advantage. Reporting to the Group Finance Director, the successful candidate will manage the Group Head Office cash resources and central debt, negotiate and co-ordinate borrowing facilities, and supervise the Head Office Accounting function, assisted by a team of ten. Other important aspects of this widely-drawn role will be advising the Board and subsidiaries on all treasury matters, sources of finance and new banking products as well as taking part in strategic planning exercises as a member of various committees. Strong communications skills, commercial judgement and quick reflexes are considered essential qualities for this challenging role in the centre of an expanding and highly-successful group, Initial remuneration, by way of high basic salary and bonus, negotiable £45,000-£55,000 + contributory pension, provident fund, life assurance, furnished accommodation, free utilities, non-contributory family medical cover, generous travel allowances, children's education and travel allowances. Applications in strict confidence under reference GT176/FT to the Managing Director:

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED, 3 LONDON WALL BUILDINGS, LONDON WALL, LONDON ECZM 5PJ.
TELEPHONE 01-588 3588 at 01-588 3576. TELEX: 887374. FAX: 81-256 8581.

Finance Director

Leisure Resorts

Surrey/Sussex border

c.£35,000+car & benefits

This substantial £20m turnover subsidiary of a major building and property PLC is involved in the management of several quality leisure resorts sited at prestige locations in UK and Europe. Future strategy for growth acknowledges the importance of strong financial control and support.

As Finance Director, you will contribute significantly to the management and development of the company. You will manage the financial and management accounting, cash control and internal andit activities with the key objective of improving ment information and control systems

You will be a qualified accountant, aged at least 30, with a record of success in finance and accountancy in a substantial service

business. Experience in the Holiday, Leisure or Travel industries would be a distinct advantage. Managerial ability, commitment, a flexible approach and willingness to undertake extensive travel in the UK and abroad will be key attributes.

The excellent remuneration package includes a performancerelated bonus, share options and a quality company car. Please send full personal and

career details in confidence to Stephen Bailey, quoting reference 5192/FT on envelope and letter.

Management Consultancy Division P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M7PL

Company Accountant

Key Member of the Management Team

North London up to £26,000 plus car

London Tobacco is a manufacturer and distributor of filter cigarettes with a UK base and substantial export business, employing around 150 people at two sites in North London, both within easy access of the M25.

Arising from the emigration of the previous incumbent, the company is seeking a suitably qualified individual. preferably though not necessarily ACMA, to take on the role of Company Accountant. Reporting directly to the Managing Director, your prime role will be the interpretation and development of accounting and management information for use by

the Board and management team. With thorough experience of budgetary control and standard costing, possibly gained in a process industry, you should also have significant exposure to the development and enhancement of computer applications in all aspects of financial and management accounting.

To fit into this close-knit, friendly and stimulating environment, you need to be an imaginative self-starter, with a positive approach to business and used to talking about solutions rather than problems. Highly committed, your commercial

awareness should be immediately apparent, as well as your ability to relate easily to staff and colleagues of varying ages and levels.

If you believe you can play the central role that our client is looking for, and are keen to join an experienced, knowledgeable and energetic management team, then write to Hamish Davidson quoting reference MCS/4010 enclosing a full CV and salary details. Executive Selection Division Price Waterhouse

Management Consultants No. 1, London Bridge London SE1.9QL

Price Waterhouse



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SYSTEMS ACCOUNTANTS

Development and Support

Central London

£24-30,000 + benefits

One of the UK's most dynamic and influential financial services groups, our client is investing heavily in the very best management information, financial control and administration systems. This commitment provides outstanding opportunities at all levels for systems accountants in the group's central services function.

Financial Systems Development.

To join a multi-disciplined team and provide accounting input to key projects at all stages from definition of user requirements through to successful implementation. Applicants must be qualified accountants with proven systems development or computer audit experience.

Systems Liaison Manager.

To be responsible for providing a high quality support service to users of the general ledger and management accounting systems throughout the group and for controlling the day to day running of these systems. Applicants should preferably have experience of McCormack & Dodge's GLM software. However, those with experience of other packages will also be considered.

Strong analytical and communication skills and the initiative and drive to identify systems requirements and produce cost effective solutions are essential requirements for these positions. Future prospects are extensive, salaries are negotiable and generous benefits include a noncontributory pension and low cost mortgage.

Please write with full career details to David Tod BSc FCA quoting reference D/793/NF.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405-3499

Internal Audit Manager

London W1

to £25,000 + car

Our clients are a £400m turnover service-based company with international interests and are themselves part of a major British group. This is a new appointment created to strengthen the internal audit function which was set up early in 1988 under the Chief Auditor. Managing a small experienced team, the person appointed will be involved in investigating and improving systems of control to protect the company's assets and enhance operational efficiency. Opportunities will also arise to review potential acquisitions. Systems are largely computer-based and specialist computer audit support is available from the Group. The role will involve significant amounts of travel in the U.K., Europe and the U.S.A. There are excellent opportunities for career development into operational areas. Applicants must be qualified accountants, either Chartered or with audit experience, and with good communication skills. Age is not a factor. Ref: 1680/FT. Send c.v. (with current salary and daytime telephone number) or write or phone for an application form to R.A. Philips ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB, Tel: 01-493 0156 (24 hours). Our clients are a £400m turnover service-based company with international





APPOINTMENTS

ADVERTISING

For further information call 01-248 8000

> Candida Raymond ext 3351

Deirdre **McCarthy** ext 4177

Paul Maraviglia ext 4676

Elizabeth Rowan ext 3456

Patrick Williams ext 3694

Patrick Sherriff ext 4627

Management Accounting

Manager

To £30,000 + car + benefitsSurrey/Sussex Border

This £175m Division of a major UK consumer product group has established on enviable reputation as market leader by effectively combining marketing and financial management skills to exploit and reinforce the strength of its brand portfolio. An organisation developed and shaped by the quality and dedication of its people offers its management excellent appartunities for advancement.

Involvement is key to the imanager's role where, as a member of the market sectors management team, a positive contribution will be expected in driving forward financial performance and the achievement of business strategies. The scope of the position embraces a considerable commercial element in addition to orthodox financial management. Reporting to the Divisional Financial Controller, direct functional responsibilities include the provision of an effective management accounting service to the business units, a pro-active financial analysis role and active support in the preparation of plans, budgets and forecasts.

Applicants should be qualified accountants, preferably with several years experience in a consumer product industry, with a positive attitude to the financial management needs of a fast moving and successful business. Good interpersonal and staff management skills are essential. Age guideline 27-35. Relocation assistance is available where appropriate.

Please reply in confidence quoting reference E153 to:

Adrian B. Edgell tason & Nurse Associates 5a Station Road, Egham Surrey TW209LD, Tel: 078471255 Offices in Landon, Birminaham and Egham.

Mason

Take a look at our Profiles

JUDITH PLUMMER, 26 - qualified with the firm as a Chartered Accountant and joined the consulting practice in 1985 as a trainee. Now a Consultant based in London, her assignments have taken her to Ethiopia, Ghana and Lesotho, as well as working in the UK.

TREVOR HINKINS, 34 - joined us as a Consultant in 1987 and has already been promoted. A qualified Management Accountant: Trevor had extensive experience of the Transport sector and has applied nis expertise with us in the UK and overseas on assignments relating to railways, shipping, water, civil aviation and power.

ROY ADAIR, 39 - a qualified Public Finance Accountant who spent 14 years in Local Government and Water before joining us in 1986 as a Senior Consultant. He is now an Associate Director, playing a key role in shaping our initiative in Europe. Ray has applied his systems, marketing and business planning skills to our specialist fields in the UK and internationally.

TO £40K PLUS CAR AND OTHER BENEFITS

Our consultants enjoy a challenging and varied career on an international scale, working with senior management in both the public and private sectors. In particular, privatisation has raised interest in our specialist services both in the UK and overseas.

Coopers & Lybrand-one of the UK's leading times of Management Consultants and Accountants; offers accountants with experience in the Energy, Water or Transport sectors the opportunity to raise their profile using a comprehensive range of financial ... management skills.

If you are a qualified accountant, aged 25-35, with an outstanding track record in these sectors, please send your cv, including a day time telephone number, quoting ref F50/14 to Chris Timbrell, --Coopers & Lybrand Associates Limited, Plumfree Court, London EC4A 4HT.

Raise your own Profile in Consultancy



MERGERS & ACQUISITIONS Expanding Services Industry

To £28,000 + Car + Benefits

Berkshire

A high profile organisation with a dominating presence in its key business areas, this company enjoys a A night profile organisation with a committed to growth by acquisition as well as organically in both core and related markets they now seek a good honours graduate ACA with 2 years mergers and acquisitions experience in either a professional firm or a financial institution.

Reporting to the Financial Controller as part of the Strategic Planning Department, your brief will be to search for suitable targets as well as analysing direct approaches. You will be making full use of your professional skills in detailed research, prospect assessment, handling of the acquisition process and contribute to post acquisition policy.

The company offers a substantial remuneration package and exceptional career prospects. To find out more about this unique opportunity write to or telephone Richard Small at the address below or telephone him during the evenings on (023065) 286.

Ian Whitemoss Associates Ltd. Regent House, 235-241 Regent Street, London W1R 8JU. 01-439 4911

Finance Manager

ACQUISITIONS, PLANNING AND DEVELOPMENT WEST LONDON, TO \$35,000 + CAR

This new position is at the centre of a highly successful and fast expanding construction and property development group: Turnover is likely to exceed \$ 100m this year. The Group's strategy of growth by acquisitions and joint ventures are key development steps, thus promising on invigorating and challenging time for the person

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Mason

tane!

Reporting to the Group Finance Director, a major task will be to assist him with the identification, appraisal and subsequent integration of suitable componies into the Group. You will also be responsible for the financial control of the industrial and commercial

properly development businesses, group planning and assisting in funding activities. The position has a high profile and as such you will quickly need to establish personal credibility with the senior management team. Prospects for significant promotion are

You will be a qualified accountant probably aged early 30s, and ideally with some acquisition or investigation and properly development experience. This should have been gained either than within a challer course. trom within a similar group or alternatively you could be a 'high fiyer' in the profession seeking a fast track in the profession seeking a fast track entry into industry.

Résumés, including day itme telephone number and current salary. in confidence to Chris Hawarth, ref: CH504, Coopers & Lybrand Executive Resourcing Limited, Shelley House, 3 Noble Street, London EC2V 7DQ.

Executive

Coopers Resourcing & Lybrand

Head of Swaps Accounting

From £35,000 + car + banking benefits

Aleading European commercial bank has developed from its London subsidiary a significant presence in international financial activities through its commitment to the market and the skill of its dealers and

support staff. With a rapidly growing swaps book, the London company now requires an individual to take the lead role in the swaps accounting function, reporting to the Financial Controller. The job encompasses the following areas: accounting and control, risk and viability assessment for each

deal, reporting for statutory and management purposes, and contribution to systems development.

Aqualified accountant, preferably Chartered, with at least one year's sophisticated swaps accounting experience, you will probably already be second-in-command of a swaps accounting team in a major bank or securities house. Familiarity with PCs will be necessary as well as a good knowledge of products used to hedge a swaps portfolio.

This is an excellent opportunity for an enthusiast with product knowledge

to develop existing managerial and systems skills in a growing department. We will be discussing applications with our client, so please list in a covering letter any organisations with whom your details should not be discussed. Please feet free to call Miles Holford on 01-378 7200 extension 5193, or write to him quoting MCS/7009 at: **Executive Selection Division** Price Waterhouse gement Consultants

No. 1 London Bridge

London SE1.9QL

Price Waterhouse



GROUP FINANCIAL CONTROLLER

West of London c. £35.000 + car

This successful private company has a number of diverse interests ranging from architectural design and planning through to property development, construction and civil engineering. Its record of profitable growth has been matched by considerable investment in recent years following acquisitions and refurbishments in locations throughout the UK.

Reporting to the Group Managing Director, you will have overall control of all financial matters and assist in identifying, co-ordinating and controlling business activities and strategies necessary to achieve increased profitability and further expansion.

You will be responsible for the preparation of business plans, budgets and forecasts, continually monitoring

progress, requiring an understanding of the business, and the ability to liaise effectively with senior management of all disciplines.

A highly motivated, qualified accountant, aged 32-45, you should be an independent thinker with strong communication skills and the ability to achieve results. You will have had significant experience of managing and motivating a young, but enthusiastic, finance department, and of developing, implementing and improving computerised accounting systems.

Critical characteristics will include a practical, handson approach, a positive, encouraging management style and the desire to enjoy your work thoroughly.

Please send full cv, indicating current salary, to Fiona McMillan, Ref: 2893/FM/FT, PA Consulting Group, Hyde Park House, 60a Knightsbridge, London SWIX 7LE.

PA Consulting Group

HUMAN RISOURCES Creating Business advantage

MANAGEMENT ACCOUNTANCY STRATEGISTS

DRIVE THE ${f B}$ USINESS ${f O}$ F CHANGE

Vicercury Communications is at the forefront of change in the fast-moving telecommunications industry. Such high-profile positioning demands accurate forecasting, incisive variance analysis and precise budgetary control from our Management Accounting function. Hence the decision to strengthen our management resources with three key appointments, any one of which will provide excellent personal development opportunities.



years' post-qualification and man-management experience. An integral member of the company's executive, you will oversee and develop our head office function to meet an-going business needs with particular regard to regionalisation. This position commands a salary of up to £30k + car.

Vital support will be provided by a capable Manage entant of three years' standing, who will produce cost centre reports and regional summaries in addition to the usual management accountancy requirements. Responsibilities which merit a salary of up to £25k.

la addition, a specialist at Sexior Management Accountant level is needed to head up the secretariat in charge of capital expenditure appraisal and control. Detailed knowledge based on three years' post-qualification experience or an MBA will enable you to establish effective project audits and performance aluation procedures. A salary of up to £30k will be complemented by a car.

Whatever your level, excellent communication skills and professional knowledge - including a firm grasp of complex computerised systems and spreadsheet programming techniques go without saying, as does the ability to remain efficient under

ACCA, ICMA, ACA (or MBA for the capital expenditure position) with shrewd business acumen, strong motivation and personal presence, you will recognise the potential afforded by these high-calibre roles.

for further details on a stimulating future, contact Robert Johnston, Personnel Controller, Mercury Communications Limited, 90 Long Acre, London WC2E 9NP. Tel: 01-528 2142.

NCIAL DIRECTOR

"Business Role: Consumer Products"

Having been recently acquired by a household name publishing Group, this £20 million turnover home antertainment products company is well-placed to begin its planned expansion programme. With the existing managen structure unaltered, and with the resources of the parent Group now available, future prospects are excellent. The company seeks to extend its existing mothold in the video products market in order to become a sector market leader, whilst strengthening further its reputation in the audin and publishing fields. The appointment of a Finance Director is a key step in this process.

Supervising a department of approximately 20, with the assistance of a qualified Chief Accountant, there will be responsibility for financial and management accounts, cash flow management and systems development. In addition, the Financial Director will become involved in acquisitions strategy and planning, and will report to the Chief Executive.

Candidates (aged 27-33) should be qualified Accountants with experience in some of the above areas. The ability and commitment to contribute actively to the senior management team are essential. In addition to a generous base salary and executive car, the benefits package is extensive and includes private health care, bonus and pension scheme.

Please apply directly to Richard Certer at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R OBR. Telephone: 01-836 3545, evenings 0344 885911. Alternatively fax your details on 01-836 4942.

Financial Recruitment Specialists London · Birmingham · Windsor · Manchester

Director of Audit Financial Services $c \pm 40,000 + Mortgage + Car$

Windsor

comprehensive range of personal and commercial financial services. Part of a major US corporation, the group aims to be one of the top three financial retailers in the UK. It also has substantial European manufacturing interests.

This Senior Management role is crucial for the development of overall audit programmes and procedures to help maximise the value added by various functions. As Director of Audit, you will report directly to the US parent company and indirectly to the Chief Executives of the UK

Candidates will be qualified accountants probably aged 28-35. Having developed good communication and management skills you will be computer literate, and enjoy

Our client is a fast growing consumer bank providing a working as a member of a highly skilled management team. comprehensive range of personal and commercial financial ideally, you will either have held a senior audit role in a high volume financial processing environment or a management position in a professional firm with financial institutions among your clients.

Interested applicants should write enclosing a comprehensive Curriculum Vitae and daytime telephone number, quoting Ref: 287, to Philip Rice, MA, ACMA, Whitehead Rice, 295 Regent Street, London WIR 8JH.

Whitehead Rice Tel: 01-637 8736.

MANAGEMENT SELECTION

Financial Director

Devon/Cornwall border up to £36,000 package + Car

Our client, a very successful and profitable subsidiary of a large British public group, manufactures brancied domestic products to high quality standards and sells through the major national and regional retail chains, in addition to local independents.

The Company, the leader in its field, enjoys considerable operational independence and its management anticipate and welcome the challenge posed by predictions of future growth and change in the retail arena. Growth over the last two years of 20% compound will continue; turnover is c.£12 million and

there are 200 employees. The Financial Director will report to the Managing Director and should:

be a qualified accountant, aged probably 30-40
 have considerable experience of commercial and financial control disciplines gained in a lively, high volume, manufacturing business eg FMCG, brown or white goods or possibly

automotive components

currently hold a senior financial responsibility i.e. director, controller or chief accountant in a sizeable business

have experience of operating and developing systems using main-frame and micro-

computers

• be an effective manager: commercially orientated: maybe having some experience of Future prospects are excellent: these need not be ilmited to the finance function. The usual large group pension and security benefits apply: removal costs will be met.

Please write with CV to Mike Flanagan, quoting reference: 19504. MSL International (UK) Limited, Broad Quay House, Broad Quay, Bristol BS1 4DJ. Offices in Europe, the Americas, Australasia and Asia Pacific.

MEL International

COMPANY SECRETARY

OPTICAL AND MEDICAL INTERNATIONAL PLC

N.W. London

c.£30,000 + car

This is a rapidly expanding group involved in electronics and electro-optics manufacturing, technical consulting services and medical products distribution.

The Company has doubled in size in the last 3 years. Turnover now exceeds £50m. p.a. It is intended that this rate of expansion should continue through acquisition and organic growth.

The role encompasses all the usual responsibilities associated with being the Secretary for a publicly quoted group, including insurance, pensions and property matters.

The successful candidate will join a small head office team based in North West London and will report to the group managing director.

Benefits include BUPA, life assurance and pension.

Applicants should have a suitable professional qualification and at least 5 years company secretarial experience. Preferred age range is 30 to 40.

Career résumés, including daytime telephone number, should be sent in

David Stirling, Group Financial Controller. Sutherland House 70-78 West Hendon Broadway, London, NW9 7BT

GROUP MANAGEMENT ACCOUNTANT

LEISURE GROUP - OXFORD **BASED**

Applications are invited for this new position in one of the country's leading leisure, and entertainment group of companies, currently an unquoted plc, and embarking on an aggressive expansion programme.

Reporting directly to the Financial Director, the successful applicant will be expected to provide the usual management analyses, planning, and statistical support to operational management and to co-ordinate and consolidate the existing financial reporting. Working with an existing team of accountants beithe will also play a leading part in accountants, he/she will also play a leading part in developing the computerised management information systems to take the group into the next phase of its expansion.

The successful applicant will be based in Oxfordshire where he or she will enjoy an excellent salary, BUPA, incentive bonus and a car and will have the opportunity of becoming part of a small management team developing the group into the

Applicants should be qualified accountants in the 25-40 age range and have a dynamic personality and the maturity commensurate with the position.

Interested applicants should write in the first instance to the Financial Director, PO Box 16, Oxford, with full details of previous posts and

Deputy Financial Controller

C. London

c. £26,000 + Quality Car

This is an ideal opportunity to step up to genuine managerial responsibility within a dynamic, fast-growing international group with a £150 million + turnover and a reputation as a leader in the global high-tech marketplace.

Much depends on your ability to manage and develop people within a large, energetic department. Working alongside the UK Financial Controller, but also very much on your own initiative, you'll be taking both a broad overview and a close interest in specific matters.

To meet this challenge within a UK listed group, you must be a qualified accountant, aged at least 28 years. Your track record should include good all-round experience of financial and management accounting combined with knowledge of computerised systems.

Write, enclosing full c.v. and daytime telephone number, to Patrick Donnelly, quoting Ref: FT/035.

Consultants

314/316 Vauxhall Bridge Road, London SWIV 1AA. Tel: 01-828 2273



BUILD YOUR SUCCESS ON OUR SUCCESS

Chief Accountant in Reading

Are you an experienced accountant with a desire to expand your horizons? If so, you could be the right person to contribute to the development of a growing business. Lease and Finance Services is a rapidly-expanding financial services company, with a new head office in Reading and a branch office in central London. As part of our expansion programme, we wish to recruit a

ief accountant to join our management team at the Reading office. This is not a position for a beginner. You will need to be qualified - chartered or certified - and you will probably

have about four years' experience. Knowledge of leasing and financial services would also be a positive asset. Experience of managing staff would also be useful, as the successful applicant will effectively be responsible for the day-to-day management of the Reading head office. Salary is negotiable, and the importance of the position will be reflected in the benefits package, which will include

pension scheme, and BUPA cover.
Initially, please write with details of your career to date to:
Mr. S. M. O'Conner,

oent Ltd., P. O. Box 407, Ascot, Berkshire, SL5 OLD.

Company Secretary

Cambs

to £30,000 + Car

Our client is an extremely successful and highly acquisitive plc within the communications sector. Having achieved the reputation of being one of the fastest growth companies within the UK, it is regarded as a major force within its competitive sector.

This is an ideal opportunity for a capable, ambitious individual who must be able to demonstrate a stron desire to be part of a highly motivated and professional management team. The position will suit candidates with a financial or legal background, preferably within industry or commerce, aged late 20's/early 30's. Tasks will encompass all aspects of the

company secretarial function associated with a dynamic and progressive plc in addition to continual involvement in ad-hoc assignments

Volkswagen/Audi dealer with two passive retail centres in the Glasgow

Glasgow G73 1AE.

and will be the largest single VW/Audi Retail complex in Europe, incorporating

and exposure to senior

This is an excellent opportunity to join a lively group and relocation assistance will be provided where Please telephone or write enclosing full curriculum vitae quoting ref: 301 to: Philip Cartwright FCMA, 97 Jermyn Street, London SW1Y 6JE

Tel: 01-839 4572

FINANCIAL CONTROLLER

Advanced manufacturing environment

Age 27-35 North Manchester

£25,000 package + car and benefits

This is a broadly-based, high-profile position with a well-known company that has a £30m t/o and operates from 3 locations. It has a highly-regarded range of quality products with a particularly strong export sales record. Within this fast-moving environment, a Financial Controller is now required to join the successful, young

Working closely with your Finance Director, you will play a vital part in assisting with the development of financial disciplines. A major objective is to implement an advanced, integrated system to provide sophisticated controls in the areas of costing. stock recording and financial accounting; you will manage a multi-discipline project team in this exercise and liaise with external advisors. Concurrently, you will bring new ideas into other critical activities such as performance analysis and reporting, cash management, budgeting and strategic planning; you will be supported by a small, strong accounting team and will be heavily involved in commercial issues. Ideally, you will be a qualified accountant with a sound manufacturing background and an up-to-date awareness of systems. A positive, open personality will fit in well with this friendly but well-motivated working environment. And in the longer term there will be excellent prospects within the substantial Group of which this company

Please apply to Dudley Harrop or Julie Mealin at our Manchester office, quoting

Amethyst House, Spring Gardens, Manchester M2 IEA Tel: 061-834 0618 Fax: 061-832 9123 Also at: Liverpool and Leeds

ASB RECRUTIMENT LTD A Division of ASB Bernett Rinnin

FINANCIAL CONTROLLER

> Around £25,000 + Car Manchester

design facets hitherto u automotive retailing. The Group growth has been achieved by unrivalled professiona creative marketing and unswerving, edication to customer satisfaction. This unique development requires a Financial Controller to establish and direct the financial function within the dealership. Reporting to the dealership General Manager and functionally to the Group Financial Director, you will utilise a fully integrated computer system to information and monthly manage accounts, in short, you will make a significant contribution to the

The lan Skeffy Group is Britain's biggest maximisation of return on the company's projected to generate turnover in the

re Glasgow out and a region of ElOrn.
You are a fully qualified Chartesed resists Accumtant having trained in a large professional company. You will have at least five years' post-qualifying experience in a commercial environment skills. You will control a staff of 20.
Ideally aged between 28-35, your enthusiasm and ambition, coupled with hard work and professionalism, will equip you well for this challenge in a truly dynamic erivironment. massive retail cernes in the Gassgow area, a major centre in Liverpool and a planned expansion into Manchester where the Group's biggest dealership will open in late Spring. This innovative new outlet is being built on an 8 acre site

dynamic environment. In return we offer exceller conditions of employment which include an attractive salary, company car, non-contributory pension scheme and relocation to a high amenity area. To apply please write with full c.v. to MrW. Mitchell, M.A., D.P.M., Group ersonnel Manager, tan Shelly Holdings

Profitable and Rapidly Expanding Service Company FINANCE DIRECTOR — GENERAL MANAGEMENT POTENTIAL

Search and Selection Specialists

Financial Management



West London A privately owned group of companies, in a

growth sales position is experiencing rapid change Servicing both the retail/leisure sector and

manufacturing areas within industry, turnover is in

Continual growth and development have broadened the duties of the Finance Director to include not only the upgrading of the Finance team

* Board level input into strategic issues facing the

* Specification and implementation of company wide systems.

Package c. \$34-38,000 plus car etc * Full involvement in more general business

Ideally, you will be a qualified Accountant with:

* An interest in small businesses. * Broad systems experience and understanding.

Good general management capabilities. # High level inter-personal skills, with an easy ability to develop good working relationships at all levels.

If you are interested in discussing this position please telephone Karea Wilson BA ACHA on 01-491 3431 (0895 633429 evenings or weekends) or write to her at FMS, 14 Cork Street, London W1X 1PF enclosing a recent CV and a note of your current salary.

Group Finance Manager

Kuwait

A leading Private Group of trading and manufacturing companies handling a wide range of consumer goods including well known international brands, is seeking an experienced well qualified financial executive to head up the Finance

& Administration functions. The person appointed will have the challenging project to set up a legal and financial structure to form a Corporate Holding Company for the subsidiary companies together with strong centralised corporate finance and treasury functions.

The position will report to the Board and will require a person having wide experience and . understanding of company administration financial reporting systems, treasury

functions and financial analysis and planning. The ideal candidate should have a recognised accounting qualification plus preferably a business degree or D.M.S. qualification.

The position carries an attractive range of benefits including bonus scheme, family furnished housing, company car and medical facilities. There are currently no taxes on salary. Commencing salary is negotiable based on experience and qualification. Interested candidates should contact Warwick Holland on London (01) 831 0431

or write, enclosing a full CV to Michael Page International. 39-41 Parker Street,

London WC2B 5LH.

Michael Page International

International Recruitment Consultants London Amsterdam Brussels Paris Lyon Sydney

FINANCIAL DIRECTOR (DESIGNATE)

SOUTH ESSEX - £30,000

Our client is a fast expanding company in the food wholesaling business and has built up a considerable reputation in the trade.

A first class opportunity has now arisen for a qualified accountant to head up the finance and administration. Reporting to the managing director the applicant is required to develop management systems, negotiate with bankers together with performance reviews.

Candidates should be between 32-45 and will need to demonstrate commercial awareness to enable them to be able to contribute at Board level. Knowledge of import procedures and foreign currently transactions desirable.

The remuneration package will include negotiable salary and executive car.

Interested applicants should send a comprehensive career C.V. to D J Barwick, FCA, D J Barwick & Co., Chartered Accountants, 609 Romford Road, Manor Park, London E12 5AD

Financial Controller

Expanding private freight iorwarding company is recruiting

in addition to normal linancial control and advisory functions the applicant will implement installation of new upgraded computer system.

Salary: Circa £23,000, car and usual benefits.

Location: Heathrow Airport area.

Applications to: D.D. Saimon. Des Salmon (Services) Ltd. Chiltern Lodge, Old Hill Wood. Studham, Dunstable, Beds LU6 2NE.

FINANCE MANAGER

A key role in our growing business

Cardiff

C.£30,000

Wiggins Teape Carbonless Papers, with a turnover in excess of £300m p.a., is part of the Wiggins Teape Group, a highly successful subsidiary of B.A.T industries and is a leading European Manufacturer and distributor of speciality papers for

and is a leading European manufacturer and distributor or speciality papers for business use.

We are now seeking an energetic and professional mance Manager to be based at the UK manufacturing headquarters in Cardiff. You will be responsible for the direction and development of the financial services of our UK manufacturing operations, spanning four different sites, with their own finance teams, and accounting for half of the company's turnover. As a member of the management team you will make a significant contribution to the plant on the believement of business objectives, ensuring that decisions are taken on the basis of sound financial information, and that the operations are supported by the required accounting systems and controls.

accounting systems and controls.

The Company has recently initiated an extensive programme of systems development, including a number of state-of-the-art financial packages; you will play a key role in ensuring the satisfactory implementation of these, ideally aged 35-45 you will be professionally qualified with well developed management skills and a proven record of effective contribution to the financial management of complex manufacturing operations. A working knowledge of French would be an advantage as some involvement with European operations.

may be necessary.

A salary of around £30,000 will be offered and a wide range of benefits that include a company car and generous assistance with relocation where Please reply in writing enclosing a full cv to R J Kendal at the address below:

Wiggins Teape Carbonless Papers Ltd

PO Box 88, Gateway House, Basingstoke, Hampshire RG21 2EE Tel: (0256) 842020



Our client is a small private electronics company involved in research and development, manufacturing, servicing and distribution in both the UK and overseas. Their track record is one of success, with plans for continued expansion and growth.

4

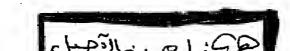
Working closely with the Managing Director, you will be a key member of the senior management team with direct involvement in strategic planning and managing the Accounts Department. You will spearhead plans to develop existing computer facilities to provide integrated MRP and accounting systems. Apportioning overhead and technical costs to MOD requirements is also required.

A qualified graduate accountant with experience at management level (possibly in a manufacturing environment) along with a high level of computer literacy is needed for this challenging role. An attractive benefits package includes car, BUPA and non-contributory pension scheme - relocation assistance negotiable.

Please reply in confidence with a detailed CV quoting reference 177 to Barbara Wood.

KPMG Peat Marwick McLintock

Executive Selection and Search 15 Pembroke Road, Bristol BS8 3BG



Financial Director

South East

41 (44) 184 CF

Stary

c£32,000 + Bonus + Car

Our client is a £27m turnover manufacturing and distribution subsidiary within an international group. The company is going through a period of significant change and seeks to strengthen the finance team.

encial Director will have total responsibility for the finance function with particular emphasis on tight financial controls and the improvement of management information reporting systems.

Furthermore, as a key member of the executive team, the Financial Director will be involved in the running of the division and ensuring that future plans are implemented as well as developing liaison with the overseas

Candidates should be qualified accountants, age indicator 33-40, with

"hands" on experience of manufacturing and costing systems preferably achieved within an engineering environment. It is essential that candidates have the personal qualities be provided where appropriate. Please telephone or write enclosing full curriculum vites quoting ref 304

Nigel Hopkins FCA, 97 Jermyn Street, London SW1Y 6JE Tel: 01-839 4572

FINANCIAL SELECTION AND SEARCH

Financial Planning Officer

Salary on a range from £17,750pe to £21,500pe inclusive of London Weighting, Supergrammation and Accountence All-

A vacancy exists within the Sports Council for a newly qualified accountant finalist to head up the Financial Planning Unit at the Head Office opposite

The successful applicant will be responsible for the trustagement of all staff within this growing unit which handles a very varied number of approximated projects including the construction of national facilities, business projections for local management teams and organisation of events. In addition, the unit is responsible for producing and monitoring short-range and long-range financial projections for the Sports Council which has an arrusal budget of approximately 250 million. The ability to construct and operate spreadsheets is required and financial planning experience, including risk analysis would be an advantage. Above all the generation of new ideas and practices is expected from a dynamic and innovitive applicant.

All the generalized to have some two presents to the special parties and innovative applicant.
For further details and an application form please sood a POSTCARD to Patrick Haugh (quoting ref: \$289/FPO), Personnel Unit, The Sporia Council, 16 Upper Webern Piece, London WCIH OOP, Clocking date: 27th January

AN EQUAL OPPORTUNITIES EMPLOYER

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Financial Controller

S.W. London

c£30,000 + Bonus + S. Options + Car

This young and dynamic furniture importing and distribution company, expected t/o £7m, seeks a Financial Controller to support the Managing Director in the next phase of expansion plans.

The rola has total responsibility for the finance function and candidates should bring a commercial approach to achieving further growth of the business coupled with a shirt sleeve style. Candidates should be qualified accountants, age indicator 28-35. with proven computer systems experience, high level of commitment and a strong personality.

strategic plans including a future USM flotation. The attractive package includes future share options and board appointment. Please telephone or write enclosing full curriculum vitae quoting ref 302 to: Nigel Hopkins FCA, 97 Jermyn Street. London SW1Y 6JE

Cartwright

Tel: 01-839 4572

FINANCIAL SELECTION AND SEARCH

HwmterPriint

GROUP FINANCIAL CONTROLLER

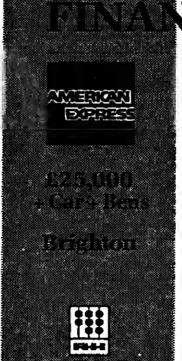
Northants £25,000 (Neg)+Car+Bonus

HunterPrint Group pic is a highly respected market leader in the printing industry with a reputation for quality and innovation. The Group incorporates a number of compunies and operates from several locations, the Head Office being at Corby, Northants Reporting to the Group Finance Director and heading up a team of fourteen staff, this wide ranging position is responsible for ensuring the smooth and efficient running of the Group Finance Department, and for advice and guidance as quired to subsidiary companies.

In addition to the timely provision of monthly financial and management accounts, the Financial Controller is responsible for Group budgets, cash flow forecasts and Treasury activities. Continuing development of the computerised accounting systems will also be a major part of the role. Applicants must be qualified Accountants, aged 30-40 years, with large company experience, sound commercial awareness and a good knowledge of computerised accounting systems. Energy, enthusiasm and vision are essential for success as is the personality and approach to quickly gain credibility and respect at all levels. This is an outstanding opportunity to join a very progressive organisation and to contribute directly

ng growth and success. A salary of £25,000ps is offered—negotable for the right candidate—plus a company car and a comprehensive benefits package that includes bonus and

Please apply in writing, giving full career and salary details, quoting reference L/114/89 to Morag Lloyd.



ICIAL SYSTEMS CONTROL

Europe, Middle East and African Region

Innovation, creativity and a commitment to quality ensures that American Express maintains its pre-eminent position in the field of financial and travel services. Through its four principal operating units the company offers a diverse and comprehensive

Travel Related Services marks the foundation of the modern American Express company and markets some of the world's most distinguished brand names.

An excellent opportunity exists within this division for an individual to make a positive contribution to the company's future. As Applications Development Control Manager, leading a small team, you will play a significant part within the development of all new business systems (both PC and Mainframa). This broad role involves participating in the design, testing and implementation of computerised management information systems. You will also provide an advisory service to regional finance departments.

Candidates should be qualified Accountants, aged 25-35, with experience of financial systems review and development. Good analytical and communication skills are essential as is a flexible approach to successfully managing change. The company offers an excellent benefits package which includes a mortgage subsidy and non-contributory pension scheme. Long term career opportunities exist within

Please apply directly to Penny Ridgett at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R OBR. Telephone: 01-836 3545,



1-14-5

KPING Peat Marwick McLintock

Executive Selection

Arlen House, Salisbury Road, Leicester LE1 7QS. Telephone (0533) 471122.

Personal Tax Co-ordinator **International Company**

Central London

Our client is a broadly based international company with operations in more than 100 overseas locations. Its strong financial position is a result of consistent growth and

profitability, extending over fifty years. The Personal Tax Co-ordinator will report directly to the European Tax Manager and be responsible for advising on penolial tax issues throughout Europe.

The company operates a tax equalisation scheme for its expetriates working in Europe and the duties of the Tax Co-ordinator will include investigating plans for legally reducing personal taxes paid by the company and monitoring and participating in personal tax audits.

A young and motivated tax professional is required for this newly created position. He/she should have up to £28,000 + Benefits a logical and analytical approach, good communication skills and should possess a formal professional

qualification. At least 3 years' experience in personal tax (including taxation of expatriates and double taxation treaties) gained in a professional practice or multinational organisation

would be an advantage. A competitive salary is offered together with a

comprehensive benefits package. For further information contact Graham King on 01-831 2000 (evenings/weekends 01-785 6545)

or write to him at the Taxation Division. Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.

Michael Page Finance International Recruitment Consultant

> Herbert House. 71 Commall Street.

Birmingham B3 2EE. Telephone: 021-233 4450

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FINANCIAL CONTROL

key management accounting & planning role

Central London

cE35,000 + car + mortgage

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4

Our client is one of the most influential financial services groups. Following substantial growth arising from reorganisations, acquisitions and development of new businesses, this role has been created to strengthen the management team of a vital central service division supporting the group's very substantial and diverse activities.

Responsible for developing a proactive team, emphasis will be on improving financial planning and reporting procedures and enhancing financial awareness. This commercial role will involve advising on the financial implications of strategic plans and assisting with the overall control of a multi million pound budget.

Applicants should be qualified accountants, ideally aged early 30s, with strong interpersonal skills and proven management accounting and analytical experience. Future prospects within this dynamic group are extensive.

Salary is negotiable and benefits include a non-contributory pension, car and subsidised mortgage.

Please write with full career details to David Tod BSc FCA quoting reference D/798/JF

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405-3499

Financial Director c£20,000 + Car + Substantial Bonus + Bens. Cardiff The Client Aerospace Engineering plc is a rapidly expanding group of companies within the engineering sector with a current turnover in excess of £30m p.2., they have an impressive profit growth record to date and are now seeking to recuit a Financial Director for a recently acquired autonomous subsidiary. Reporting directly to the M D and forming part of the Senior Management Ream the successful applicant will be responsible for Strategic Planning. Profit Performance. Systems Development as well as the day to day running of the Accounts Department. The Person A RC E-BTSUP: Candidates (age will not be a barrier) will be qualified Accountants who can demonstrate practical industrial experience together with a record of achievement within a progressive organisation. Applicants must be innovative, pro-active and achievem with good communicative and managerial skills. The Rewards The salary package on offer (including relocation expenses where necessary) show the commitment of our client to attract candidates who are motivated by achievement and who have the ability to further develop within this progressive Interested candidates should contact Nick Stephens on 021-233 4450 (office hours) or 021-445 5055 (evenings and weekends). Alternatively,

write enclosing a comprehensive C.V. to the address below.

Nicholas Andreas

FINANCIAL CONTROLLER

> £25k + Car + **Benefits**

North East Location

In the design and manufacture of its particular product range, my client is amongst the world's top companies. In the UK, they operate from a modern plant in the North East and have a reputation for the extensive use of advanced manufacturing and computer-based system

As Financial Controller for the plant you will become a member of the senior management operating team and will be expected to make a significant contribution to the commercial and financial management of the Business. Your responsibilities will, therefore, cover a broad range of financial and management accounting activities, but key tasks would include planning and forecasting, maintenance and development of costing systems and evaluation of existing and new business.
Preferably CLMA., you will already

have several years relevant postqualifying experience with a sound appreciation of computerised accounting systems and information technology. Above all, you will be the kind of person capable of working to tightreporting deadlines who will inrive on the challenge and responsibility offered within this dynamic and demanding environment.

The attractive salary and comprehensive benefits, including relocation assistance where appropriate, reflect the seniority at this position. initially please write, enclosing full

CV to: Richard Lawson,
Riley Advertising (Newcastle),
Confidential Reply Service,
Rex Stewart House, 9 St. James Street,
Newcastle upon Tyne NEI 4NF. Please list separately the names of

ony companies to whom you do not wish your application forwarded.

HUNGARIAN INTERNATIONAL BANK LTD INTERNAL AUDITOR

The Hungarian International Bank requires an Internal Auditor to lead the bank's internal audit function. The successful applicant will propably be an experienced international banker with previous internal audit experience. An accountancy qualification though not essential would be an advantage.

Applicants will need to be confident in their ability to enhance and maintain an internal audit programme within a highly business orientated environment.

Attractive terms of remuneration commensurate with age, experience and qualifications will be offered to the right candidate.

Applications, which must be in writing and accompanied by a detailed curriculum viate should be addressed to:-

Miss A Andrews Manager Personnel Hungarian International Bank Ltd 95 Gresham Street London EC2V 7LU



DRPORATE TAX ACCOUNTANT

Use your commercial acumen in a global environment

Commitment to quality, success and growth runs through every facet of our business. That's why the people we recruit need the vision, business acumen and talent to ensure our goals are

As Corporate Tax Accountant you would be playing a vital role in our future development by meeting the demands of our entrepreneurial managers for expert information on corporate taxation matters and helping to ensure that the impact of UK and foreign taxes on the group is kept to a

qualified accountant or come from the Inland Revenue itself - but, whatever your background, it should include at least 12 months' specialist exposure to

This is an outstanding opportunity to capitalise on that experience and to gain an unparalleled insight into the way a major transnational business operates. You will need well developed technical, accounting and interpersonal skills, as well as strong commercial awareness. You must be flexible to your

approach and adaptable in your outlook

because to a company the size and complexity of ours, no two problems

maximise your potential, including the encouragement to study for the ATTI resent salary level, to: Recruitment & Selection, Ref: RJ/1210, British Airways Plc, "Meadowbank", PO Box 59,

Hourslow TW5 9QX.

The right person is unlikely to be

disappointed, either by the rewards or

the prospects. As well as an attractive

salary and a substantial benefits package

which includes profit sharing, holiday travel opportunities and holiday bonus,

you'll receive every opportunity to

can be treated exactly alike.



Financial Controller

London

c£30.000 + Bonus + Car

Our client was established eight years ago and is now a leading design company with a superb client base of top quality household names in the UK. Europe and USA. In addition to winning coveted awards for its innovative and original textile designs it has also gained a high level of commercial success. Resulting from its achievements to date

the need has arisen for this new appointment to be made of a Financial Controller to participate in the next rapid expension phase of the business and its The role will report directly to the Main

Board and responsibilities will include aspects of financial and management reporting, budgeting and forecasting. Broad commercial and administrative functions will also be covered and it is therefore vital that a commercial attitude is brought to the role along with

a desire to work within a creetive Candidates, aged 28-35, should be qualified accountants who have had sound practical accounting experience, be enthusiastic and have the shility to take

initiative in a small but rapidly growing

and ambitious team. Please telephone or write enclosing full corriculum vitae quoting ref. 303 to: Philip Cartwright FCMA. 97 Jermyn Street, London SW1Y 6JE Tel: 01-839 4572 Fax: 01-925 2336

FINANCIAL SELECTION AND SEARCH

Group Corporate Finance Manager

London

to £45,000 + excellent

Our client is a broadly based international retail group with a turnover in excess of £1.25bn, operations in 8 countries and many franchises across the world.

An exceptional opportunity exists for an experienced and ambitious finance professional to expand the group's centralised corporate finance and treasury functions. Your responsibilities will include overseeing treasury strategy for the group worldwide; undertaking acquisition and disposal reviews leading to negotiating and transacting deals; advising on and implementing financial policies and strategy and developing relationships with external bankers and advisers.

You should be aged 30-35, a graduate, preferably with a relevant professional qualification (MCT, MBA, ACA) and a successful background either in corporate treasury, investment management or corporate finance. You will

MANAGEMENT SELECTION

benefits package

be fully conversant with all aspects of corporate treasury and modern corporate finance theory. High intellect, excellent presentation and management skills are required for this high profile role, which forms part of the small management team influencing key strategic

Interested applicants should write enclosing a full CV and daytime telephone number, quoting Ref: 290, to Barry Oiller BA, ACA, Whitehead Rice, 295 Regent Street, London W1R 8JH, Tel: 01-637 8736.



Banking on Internal Audit c£25,000 + Bank Benefits

Our client is a major North American Financial Institution with European operations centred in London.

The company now wish to recruit a senior audit officer to work closely with the audit manager. This position will give exposure to senior line management and involve the assessment of risks and controls as well as the quality and effectiveness of management generally.

We are seeking a qualified accountant, who is self motivated, flexible and analytical in their approach. Prior exposure to the banking sector would be useful, whether in the public practice or in commerce. Opportunities are excellent for career progression within audit or other operational areas, once the successful candidate has a proven track record.

Interested accountants should contact Diane Forrester ACA on 01-831 2000 or write to her at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.

Michael Page Finance

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birming Manchester Leeds Newcastle-upon-Tyne Glasgow & Worklwide

THE CHALLENGE OF AN INTERNATIONAL ENVIRONMENT

A40/M40 Corridor

Rapid and profitable growth have generated some recent promotions and organisation developments, which have in turn resulted in this relatively rare international finance role becoming available. As part of a truly cosmopolitan team at the international Headquarters for this major division of a Multi-billion \$ turnover US Multi-national, the responsibilities

- * Capital investment appraisal throughout the subsidiaries in Europe, Canada, the Far East and Australasta — this will be significant due to the
- current rapid growth. * Control of and reporting on the Assets, Inventory and Receivables
- * Responsibility for recommending courses of action in such areas as Divisional, Export Credit, Tax and It is envisaged that the successful candidate will

develop in this role prior to undertaking the next

c. £28K Plus Car

opportunity within the Group. In order to take advantage of this situation the successful candidate (who will be a young Accountant) must clearly

* An affinity with the international environment and the ability to relate to overseas management. * Ambition, enthusiasm and creativity with the ability to think laterally to the resolution of issues.

living to the UK or overseas, who are actively looking to join a highly regarded International group.

If you are interested in discussing the BA ACMA on 01-491 3431 (or 0895 633429 14 Cork Street, London WIX 1PF enclosing a recent CV and note of current salary.

Financial Management

The role will involve a limited amount of travel. Applications are invited from individuals currently

situation further please contact Karen D Wilson evenings and weekends) or write to her at FMS,

Search and Selection Specialists

FINANCIAL DIRECTOR

Nottingham

package c£35,000 + car

With one of the leading brands, comprehensive product ranges and ambitious expansion plans our client is a major force in its competitive sector.

As a key member of the management team of its principal manufacturing subsidiary, the Financial Director will be a vital contributor to policy formulation. Initial emphasis will be on further improving costing and reporting procedures in order to provide a sound basis for performance appraisal and pricing strategy. This is therefore a 'hands on' role combining practical accounting with financial and commercial responsibilities.

Applicants should be qualified accountants aged early 30s with proven industrial experience, preferably gained in a group using sophisticated financial controls and the initiative, drive and flexibility to work closely with all disciplines of management.

The competitive remuneration package includes a profit related bonus.

Please write with full career details to David Tod BSc FCA quoting reference D/791/PF.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WCTV 6QA 01-405 3499



FINANCIAL CONTROLLER

The MWG Group of Companies is the fastest growing eutomotive sector trading house in the U.K. 1989 sales are expected to exceed £17M. The Group le mostly involved in axports from the U.K. to the rest of the world. There will be major product launches in 1989.

Responsible to the chairman, the Finencial Controller will use a highly screen based system presently in progress to full autometion. He will run the Accounts Department and maintain links with Bankars and

The Candidate

Age range preferred 30/40 years, Qualified. Automotive experience. Export experiance an advantaga. Computer

The Rewards

£30K p.a. + Non-contributory Pension, Company Car. Health Insurance. Promotion to Financial Director as

Letters and full c.v. to The Chairman MWG House Chertsey Surrey KT16 9LA

M.W.G. Group of Companies



Davy McDermott, a major company specialising in the design and project management of offshore oil and gas installations, is seeking and gas installations, is seeking an experienced Finance Manager to assist the Company with its expansion and development phase.
You will report directly to the Managing Director and join an established and highly mothered sealor management.

motivated senior managem team. Responsibilities will include managing the financial aspects of the Company's operations and advising management on the commercial considerations of a wide range of business options. We are looking for an experienced senior accountant

who is well used to pressure and responsibility and has good communication and interpersonal skills. It is unlikely that applicants below their mid-30s will have the required experience and maturity for this demanding

The substantial salary and benefits package is all that would be expected from a

major employer.
In the first instance, please contact Ray Bettles, Divisional Director of Personnel on 01-903 1333 for further information or send your C.V. to him at Davy McDermott Limited, McDermott House, 140 Wembley Park Drive, Wembley, Middlesex HA9 8JD. **Financial** Director **Designate**

Northern Home Counties. c £35,000, Car, Bonus, Benefits

A£15m turnover division of a major plc providing contract services in the public sector, seeks a highly motivated person to control its financial systems. The appointee will be responsible to the divisional managing director for all financial and management accounting functions and will be expected to provide profit performance guidance to other senior colleagues. Candidates. aged 35-45, should be chartered accountants with drive, enthusiasm and determination, able to develop the computer based accounting department to meet demands created by a significant axpansion program. Experience with accounting requirement for contracts would be an advantage. There is a generous

relocation package.
R.A. Flude, Ref: M15045/FT. Male or female candidates should telephone in confidence for a Personal History Form, 061-832 3500, Fax: 061-834 8577, Hoggett Bowers plc, St. James's Court, 30 Brown Street, MANCHESTER

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FINANCIAL TIMES COMPANIES & MARKETS

Thursday January 12 1989



INSIDE

That's the way the money goes



It is a hard life for most foreign securi-ties houses in Japan at the moment "A bit like tearing up Y10,000 notes," says one broker. After years of effort and

market, most firms are finding profitability as remote a goal as ever. Some analysts believe that losses will force more foreigners to follow Hoare Govett and give up on Japanese equi-ties, but few are holding their breath for a major shake-out in the industry, reports Patti Waldmeir. Page 25

Swedes on an Investment high Sweden's stock market has risen to record highs for the past three sessions, as equity investors give the thumbs up to currency liberalisation plans contained in the country's new budget. Sara Webb reports. Page 44

Stars of the UK high street



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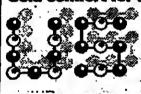
Ms Anita Roddick (left), managing director of Body Shop international has been voted UK retailer of the year for 1988. Defying the general malaise in British high streets, the "natural" cosmetics and tolietries

group yesterday reported a 55 per cent rise in annual profits. That other UK niche retailer, Sock Shop, also produced aparkling results yesterday: in this case a 43.5 per cent jump to pre-tax profits of £2.6m. Page 29

Deceptive side of gentle giants

Opponents of Thomson Travel's acquisition of Horizon, the deal cleared by the UK Monopo-iles and Mergers Commission yesterday, appear to have a highly fanciful notion of the relationship between size and muscle-power. The commission was told that Thomson had been working on a five-year plan to dominate the UK tour trade. But such a move does not necessarily make for a muscular giant capable of squeezing the life out of competitors, explains Christopher Parkes. Page 29

For the US motorist there is an account. Cold comfort for hot chemicals



sign that the country's chemicals industry is going through a purple patch: the price of anti-freeze has tri-

pled. This is the clearest evidence to the average American of booming times in a sector which most forecasters believe will have another good year in 1989. There are many in the business, however, who are not so confident about its performance come the 1990s, write Peter Marsh and James Buchan. Page 24

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become the Abbey's habit David Barchard looks at reasons

Boldness has

for a stock market flotation

ERRING-DO has been Abbey National's consist-ent response to the chal-lenges which have crowded in npon the once sedate building society industry in the 1980s. By next June, if the stock market

next June, if the stock market flotation announced yesterday goes according to plan, it may have been rewarded for its boldness by becoming the third largest UK bank by capitalisation.

Going public is only the latest of a long line of innovations for Abbey National.

As Sir Campbell Adamson, the society'a chairman, pointed out yesterday, the society's track record in the 1980s includes breaking up the old bullding societies' interest rate cartel, launching new products ranging from the deposit rate accounts to tiered deposit rate accounts to cheque book current accounts, and crossing the Channel, ini-

tially in Spain, into European markets in expectation of 1992.

No other building society, including Halifax, Ahbey National's larger rival, has moved so far or so fast in diversifying from traditional savings and loans business. Several societies admit privately that they are waiting for Abbey National's flotation to go through before going ahead with possible Plc conversion plans of their own.

For, although both their als and a 40 per cent ceiling on savings and mortgage husiness have been booming in the last it would also have to depend for

By Philip Coggan in London

THE Abbey National share offer will not only be one of the larg-est ever non-privatisation issues in Britain but it will also greatly

increase the number of small UK shareholders.

money raising offer, Abbey's decision to distribute free shares to 5.5m eligible members of the

society will be an enormous

ship movement, already helped by the Government's privatisa-

Although many Ahhey
Although many Ahhey
National members may already
be among the UK's 9m existing
individual shareholders, it still
seems likely that the float will
add at least 2m to 3m new shareholders to the list

The £1bu (\$1.7bn) that Abbey

will seek to raise will be almost

equal to the entire amount raised by non-privatisation

issues on the new issue market

Whatever the success of the

year, many executives in the larger building societies are well aware that medium and long-term pressure on them is likely to become more intense and there may be very limited scope for muinal institutions in the retail financial services mar-kets of the 1990s.

kets of the 1990s.
Yesterday Sir Campbell summed up the disadvantages of remaining a mntual huilding society as Abbey National sees them. They are, he said, legal constraints on their ability to diversify into new lines of business; limited ability to operate in the wholesale money markets. the wholesale money markets, and above all limited ability to

and above all immed animy to raise new capital.

All these restrictions were eased by the 1986 Building Societ-ies Act and the expansion of building acciety, powers announced in the Revisw of Schedule 8 of the Act in February last year. But even with this liberalisa-

tion, Abbey believes continued mntuality would impose too many restraints. It says that it intends to confine itself mainly to its traditional retail finance busi-ness and will not venture far, if at all, into corporate finance. But it believes it will be hard to live for long with the law's total han on corporate business for mutu-

Swelling ranks of small investors

last year. However, provided the price is right, Abbey is unlikely to have much difficulty under-

writing the offer.

Last year institutions faced few calls on their purses, apart from British Steel and the Bar-

clays £921m rights issue, and a series of cash takeovers enabled

them to huld up their liquidity.
The Abbey float will arrive in

table, which is currently await-

ing the flotation of the water

industry, scheduled at the earli-

film from private investors promises to be a massive under-

taking. Many investors may simply take the £200£250 worth of free shares and run, and not

bother to apply for additional

The best argument for per-suading society members to need to buy shares in the after-

apply for extra shares may be market to ensure that they are

However, the attempt to raise

est for the autumn.

paid for shares.



executive Peter Birch at yesterday's flotation announcem

capital solely on its reserves and Bank of Scotland, though around subordinated debt.

Bank of Scotland, though around £15bn less than Lloyds, the small-

"Our competitors who are not building societies face none of these constraints. said Sir Campbell. Even those societies which are still committed to remaining mutual are aware that competition in open markets for traditional building society mort-gage and savings business is likely to sweep away the majority of societies in the next decade.

Reports on the future of the building society industry commissioned by societies favouring staying mutual predict that the present 115 societies may be whittled down by mergers over the next decade to less than a dozen societies laws expected to dozen societies large enough to compete with the banks.

Abbey National, with assets of more than £30bn - around £10bnmore than TSB or the Royal

that easy profits are certain. That depends on two key

tor confidence in equities is suf-ficiently healthy to encourage a

buoyant after-market for Abbey

shares. The two largest issues of last year, British Steel and Racal

Telecom, both suffered from the

trade-deficit inspired gloom that descended on the UK stock mar-

kets in the later months of 1988;

neither offer brought any cheer

for the stags. Only the brave would forecast the stock mar-

Let's mood next summer, when Abbey finally intends to float. The second assumption is that

demand from private investors will be sufficient to ensure that institutions are abort of stock.

Given that Abbey seems likely to be a constituent of the FT-SE 100

index, many institutions will

The first is that general inves-

assumptions.

£15hn less than Lloyds, the smallest of the clearers - does not face the dilemma of being too small to survive on its own in the market.

In spite of its obvious strengths 9 per cent of the UK's personal sector liquid assets, and more than 12 per cent of the UK's mortgage loans - Abbey National nevertheless needs to grow on several fronts to be able to bear comparison with the main clearers. Its branch network of 676 branches, is less than half that of TSB for instance and about a third the size of those of Lloyds or Midland Bank.

Sir Campbell said yesterday that Abbey National, though it intends to stick to retail banking, has post-1992 ambitions stretching beyond being a "regional UK-only husiness".

To grow on this scale from its

present size, Abbey National will require injections of capital well beyond the initial film it is planning to raise this summer. Most of this will probably go on refurbishing and expanding its existing branch network and boosting its money transmission capacity to levels approaching those of the major banks.

Since the decision to go public was first announced last March, prematurely as they now admit -Abbey National's directors - have spent nine lonely and painful months, beleaguered by the pro-tests of a well publicised group of rebel members supporting continned mutuality.

They now hope that these objections will dissolve with most members eager to take advantage of a free share issue. Once the hurdle of seeking their approval has been surmounted, the real

	Comparison	with	banks	Pre-tax
40	Bink	Assets (£bn)	Capital (£m)	profits (£m)
	Barcleys	87.8	4,229	1,052
	Nat West	87.0	4,959	1,266
	diand	48.5	2,685	511
/10	Lloyds	44.9	2,393	. 818
J* 1	TSB	19.7	2,268	276
4	Royal Bank of Scot	19.1	1,056	274
	Bank of Scotland	11.0	654	157
1 '11	Abbey National	26.4	1.133	353

sufficiently weighted in the stock. A ready supply of institu-tional buyers is likely to push the shares to a premium.

However, if private demand is sluggish, many institutions will merely obtain the required number of shares in their capacity as underwriters.

If all goes well, it is not inconceivable that a large proportion of the 5.5m eligible members may apply for shares – after all there were 5m applicants for

TSB shares in 1986. But it might be more prudent to make assumptions on the 650,000 investors who applied for British Steel shares.

Source: Philips & Drew

Ironically, the issue is likely to result in a sharp fall in Abbey National deposits at the time of the issue. Many small investors withdraw funds from their building society accounts in order to apply for new issues and there is a sharp fall in building society funds inflow at the time of priva-

Maxwell auctions **Norton Opax** stake

By Andrew Hill in London

MR Robert Maxwell, chairman and chief executive of Maxwell and chief executive of Maxwell Communication Corporation, the UK publishing and information group, is putting his 25.6 per cent stake in Norton Opax, the security and specialist printer, up for sale by tender. The hope is to raise at least £77.5m (\$140m).

Such a large holding could pro-Such a large holding could provide a platform for a hid, and the news, announced at an extraordinary general meeting of MCC, prompted a 9.5 per cent rise in Norton's share price. Norton said it would welcome the transfer of the stake into friendly hands but would resist any takeover attempts.

attempts.

Mr Maxwell is asking at least 195p for each of the 33.7m Norton ordinary shares — a 24 per cent premium to yesterday's opening price of 157p — and 103p for each of the 11.5m convertible preference shares. Norton shares closed

at 172p yesterday.

It was thought that Mr Maxwell might also sell his stake of more than 15 per cent in De La Rue, the financial printing com-pany, in line with recent dispos-als of MCC printing interests, but the De La Rue stake has been retained. Earlier this week Société Financière de Genève, the Swiss bolding company con-trolled hy Mr Carlo De Benedetti, revealed it had built up a 4.9 per cent stake in De La Rue over the past six months.

Mr Maxwell picked up 22 per

cent of Norton in 1986, after inter-vening in Norton's bitterly con-tested but successful takeover hid for McCorquodale, another

printing group.

MCC said yesterday it also
planned to sell around £70m worth of surplus property and property developments in the UK, and to dispose of other MCC

subsidiaries.

The property and asset disposals, more planued disposals of subsidiaries of Macmillan, the US publisher, and the sale of three travel guides belonging to Offial Allin about \$500m, estimated MCC.
Mr Robert Maxwell, MCC's

chairman and chief executive, acquired OAG and Macmillan for a total \$3.25bn through off-bal-ance sheet companies before

Christmas.

About \$880m has already been realised through the management buy-out of BPCC, Britain's largest commercial printer, which was approved at yester-day's EGM, and disposals of other snbsidiaries of MCC and Macmillan.

Arnault set to take LVMH chair

By Paul Betts in Paris

holders to the list.

MR BERNARD Arnault, the chairman of Financiere Agache, is poised to take over tomorrow from Mr Alain Chevalier as chairman of Moet Hennessy-Louis Vuitton (LVMH), in a climax to the long-running battle for con-trol of the leading French cham-

trol of the leading French champagne, cognac and luxury products group.

Mr Arnault, who has become
the single largest shareholder of
LVMH in partnership with Guinness, the British drinks group, is
expected to be appointed chairman at a supervisory board meeting, with Mr Chevalier resigning.
Mr Jean-Louis Masurel, the
LVMH managing director, is also LVMH managing director, is also expected to resign tomorrow.

The group has been bedevilled

Guinness in his bid to become chairman. Both Mr Arnault and Guinness opposed recent proposals made by Mr Chevalier and the Louis Vuitton camp, led by Mr Henry Racamier, to reorganise the group and give its drinks and luxury products husinesses

greater autonomy.

Mr Arnault is expected to hold talks with Mr Anthony Tennant, the Guinness chief executive, in Paris today as well as with other key shareholders of the group to finalise the top management changes to be made at the board

meeting on Friday. Mr Arnault and Guinness have built up a 40 per cent stake in LVMH, which now has a market capitalisation of FF740bn (\$6.5bn), by internal rifts for the past 18 months, ever since the Louis Vuitton luxury goods group merged with drinks group Moet Hennessy.

Mr Arnault is understood to have won the full support of capitalisation of FFr40bn (\$6.5bn), the largest on the French bourse. The Arnault Guinness stake is which is owned 60 per cent by Mr Arnault and 40 per cent by Guinness. The vehicle controls about 30 per cent of the voting rights in

At this stage, Mr Arnault and Guinness do not appear to envis-age increasing further their stake in LVMH and appear to have won the support of many of the mem-bers in the Moet-Hennessy camp, who currently hold about 14 per cent of the company. The Louis Vuitton camp owns about 23 per cent of the group's share capital.

Mr Arnault'a appointment would mark a remarkable coup on the part of the young busi-nessman, who was originally called in to the group by Mr Racamier last year. Mr Racamier was then in open dispute with Mr Chewillon, who at the time Chevalier, who at that time headed the Moet-Hennessy camp. Mr Chevalier subsequently called

The irony is that the two chief protagonists have been ontfianked by their putative allies, who have now joined forces to take control of the group.

Cerus likely to bid for Dumenil By George Graham in Paris

CERUS, the French bolding company of Mr Carlo De Bene-detti, the Italian financier, is expected to announce tomorrow a bid for 100 per cent control of Dumenil-Leble, the French finan-

Dumenil-Leblé, the French financial services group of which it already owns 27.7 per cent.

Both Cerus's and Dumenil's shares were suspended on the Paris stock exchange, but neither would make any further comment yesterday. The merger, if successful, would both give Cerus access to Dumenil's considerable cash resources and create France's fourth largest listed financial conglomerate. It would also reinforce Cerus's role as Mr also reinforce Cerus's role as Mr De Benedetti's primary vehicle

for European expansion. Cerus is widely expected to offer its own shares in exchange for the 72.3 per cent of Dumenil it does not already own. Analysts

predicted the offer could value Dumenil as high as FFr5.5bn (\$880m). At the suspension price of FFr1,175, Dumenil has a market capitalisation of FF74.7bn Cerus already exercises effec-tive control over Dumenil, with Assurances Generales De France, the state-owned insurer, the sec-ond largest shareholder with around 12.5 per cent.

around 12.5 per cent.

A merger, however, would bring Dumenil's estimated FFr1.5bn cash and FFr2.2bn equity capital onto Cerus's balance sheet, sorely battered after its abortive battle to gam control of Societé Générale De Belgique. Dumenil last year recorded capital gains of FFr155m on the sale of its SGB stake and of FFr300m on its withdrawal from the on its withdrawal from the Rivand conglomerate. Also, funds set aside for raising its stake in Euromobiliare, the Italian mer-

chant bank, were not used because of the arrival of Midland Bank.

The prospect of a merger was greeted with suspicion by Paris stockbrokers. Past operations conducted by Mr De Benedetti, especially the sale of the Buitoni food group to Nestlé, have made investors cautious of the valuations used for his companies, and some saw the bid as another in a series of operations designed to restore Cerus's finances.

Mr Alain Minc, Cerus's chief executive, uses a peculiar accounting method to value the group's Dumenil stake in his company's own books at FFr214bn at the end of 1988. The same technique, 20 times Dumenil's 1988 earnings of FFr400m, would put a price on the company of FFr8bm, 70 per cent above its suspension price.

Bremer Landesbank Capital Markets PLC

· NOTICE

to the holders (the "Noteho AS 30,000,000 12%% Notes due 1991 (the "Notes") of Bremer Landesbank Finance (Curação) N.V. (the "N.V.")

constituted by a Trust Deed dated 7th May, 1986, (the "Principal Trust Deed") made between the N.V. and The Law Debenture Trust Corporation p.Lc. (the "Trustee") as amended by a Supplemental Trust Deed dated 30th December, 1988, (the "Supplemental Trust Deed") made between the N.V., Bremer Landesbank Capital Markets PLC (the "Substituted Debtor") and the Trustee (the Principal Trust Deed and the Supplemental Trust Deed to getter being referred to as the "Trust Deed"). The Notes and the Coupons are entitled to the benefit of, and the holders thereof are deemed to have notice of and be bound by, the provisions of a Paying Agency Agreement dated 7th May, 1986 (the "Principal Paying Agency Agreement (the "Supplemental Paying Agency Agreement (the "Supplemental Paying Agency Agreement (the "Supplemental Paying Agency Agreement") dated 30th December, 1988 between the N.V., the Substituted Debtor, the Trustee and the Paying Agents as amended by a Supplemental Paying Agency Agreement (the "Supplemental Paying Agency Agreement Paying Agency Agreement (the "Supplemental Paying Agency Agreement Paying Ag

SUBSTITUTION OF PRINCIPAL DEBTOR

Notice is hereby given to the Noteholders that, pursuant to Clause 15(B) of the Trust Deed, with effect on and from 30th December, 1989: (1) the Substituted Debtor, incorporated in England and Wales, has:

(a) pursuant to the provisions of the Supplemental Trust Deed, been substituted in place of the N.V. as the principal debtor in respect of the Notes and the Coupons under the Trust Deed; and

(b) pursuant to the provisions of the Supplemental Paying Agency Agreement, been substituted in place of the N.V. under the terms of the Principal Paying Agency Agreement. the relations of the Substituted Debtor arising from, or in connection with, the Notes and the Coupons are secured by an assignment to the Trustee by the Substituted Debtor of its rights in respect of a Deposit in the amount of A\$ 30,000,000 as set out in the Deposit Agreement (the form of which appears as Schedule 1 to the Supplemental Trust Deed) and the Trust Deed.

No new definitive Notes will be issued and the existing definitive Notes will not be overstamped nor exchanged. The Notes will be listed on the Lucembourg Stock Exchange under the former name, Bremer Landesbank Finance (Curação) N.V., followed by the name of the Substituted Debtor, Bremer Landesbank Capital Markets

The existing Security Code Numbers for Euro-Clear and Codel and the existing German Security Code Numbers for Euro-Clear and Codel and the existing German Security Code Numbers for Euro-Clear and Codel and the existing German Security Code Numbers for Euro-Clear and Codel and the existing German Security Code Numbers for Euro-Clear and Codel and the existing German Security Code Numbers for Euro-Clear and Codel and the existing German Security Code Numbers for Euro-Clear and Codel and the existing German Security Code Numbers for Euro-Clear and Codel and the existing German Security Code Numbers for Euro-Clear and Codel and the existing German Security Code Numbers for Euro-Clear and Codel and the existing German Security Code Numbers for Euro-Clear and Codel and the existing German Security Code Numbers for Euro-Clear and Codel and C

A notice containing information regarding the Substituted Debtor and a copy of the Memorandum and Articles of Association of the Substituted Debtor have been lodged with the Greffler en Chef du Tribunal d'Arrondissement de et a Luxembourg, where the same may be inspected and copies obtained. Any Noteholder who wishes to inspect copies of the Principal Trust Deed or of the Supplemental Trust Deed, the Principal Paying Agency Agreement or the Supplemental Paying Agency Agreement mentioned above may do so at the specified offices of the Trustee and Paying Agents listed below:

TRUSTEE The Law Debenture Trust Corporation p.i.c., Princes House, 95 Greshem Street, London FC2V 7HX

Orion Royal Bank Lin 71 Queen Victoria Street, London EC4V 7DE

The Royal Bank of Canada (Belgium) S.A., rue de Ligne 1, 2-1000 Brussels

PAYING AGENTS: The Royal Bank of Canada A.G., Bockenheimer Landstrasse 61, D-8000 Frankfurt/Main 1,

NORD/LB Norddeutsche Landesbank, Luxembourg S.A., 26 Route d'Arlon,

(France) S.A., 3 rue Scribe, 75440 Paris The Royal Bank of Canada (Suisse),

The Royal Bank of Canada

BREMER LANDESBANK CAPITAL MARKETS PLC

Dated 12th January, 1989

INTERNATIONAL COMPANIES AND FINANCE

Procter in \$1bn employee share ownership plan

PROCTER & GAMBLE, the big US consumer products group, intends to give its employees up to 20 per cent ownership in the company in a complex \$1bn scheme to improve their retirement benefits and deter the threat of hostile takeover.

The Cincinnati-based group said the scheme would increase the employee stake in the company from 14 per cent

now to 20 per cent.
Though broadly similar to employee plans announced by Phillips Petroleum, Hospital Corporation of America and Polaroid in the past two years, the Procter & Gamble employ-ee-ownership scheme is proba-bly the most ambitious under-

The scheme is designed to use the tax advantages offered for employee ownership as a means of financing pension plans and s stock buy-back more cheaply. And, by concentrating stock in friendly hands, the scheme will make any hos-

tile takeover harder. The group, which has made sluggish progress in the 1980s

because of a string of costly and difficult marketing battles, has sometimes been touted as

a takeover candidate.
Starting in July, Procter &
Gamble will create a so-called
leveraged employee stock ownership plan which will borrow \$1bn over 15 years, the loan being guaranteed by the com-

Because lenders to Esops get tax breaks on their interest income, they lend at interest rates up to 1.5 percentage

points lower than usual, according to the group. With the \$1bn loan, the Esop will buy preferred stock from the company which will pay dividends to the employees at tax-advantaged rates and be convertible into common stock. Procter & Gamble believes the scheme could cut sharply the cost of its pension plan

over 15 years. In sddition, the company will use the proceeds of the preferred stock sale to buy in up to 12m common shares and thus improve returns to public shareholders.

Purolator Courier to buy Air Canada unit

By David Owen in Toronto

PUROLATOR Courier, Canada's largest courier com-pany, is to acquire the over-night courier division of Gelco Express, a wholly owned Air Canada subsidiary, in s move which will eventually lead to the integration of the two

As part of the deal, certain assets of Air Canada's own overnight courier division will be transferred to Purolator. On conclusion of the transaction the terms of which were not disclosed - Air Canada will own 22 per cent of Purolator's

common equity. In addition, Air Canada and Purolator plan to enter into a long-term agreement whereby Air Canada will provide transportation for Purolator's future

domestic air courier volumes. Gelco's same-day Canadian messenger system is not included in the present trans-

Purolator is majority-owned by Ouex Corporation, the Toronto-based leveraged buy-out specialist, having been acquired for C\$234m (US\$196.6m) in April 1987.

In its second quarter report, Onex projected a modest net loss for Purolator in 1988, The company said at the time that it was reviewing "the likely need" to add to Purolator's equity base to support faster-

than-expected growth. Purolator and Gelco will have a combined courier vol-

Philips sells Selmer to **New York** LBO group

By David Brown in Amsterdam

PHILIPS, the Dutch electronics group, has announced the sale, for an unspecified sum, of the Selmer musical instruments company to Integrated Resources Acquisition, a New York-based company which specialises in leveraged buy-

Selmer, one of the world's largest manufacturers of musi-cal instruments, has annual sales of \$93m and a workforce

of just over 11,000.

Its brand names include Sel-mer (wind instruments), Lud-wig (percussion) and Glassel

The company, founded in the 1920s by two brothers, one of whom played first clarinet for the New York Philharmonic, has a large following among professional musicians. Among its clients are saxo-phonists Bill Evans and Branphonists Bill Evans and Bran-ford Marsalis, drummer Gin-ger Baker, and a range of classical orchestral

Mr William Petersen, currently president of the company which once succeeded in attracting big band leader Benny Goodman to its board of directors, said: "We have a capacity to tailor-make any kind of instrument to suit the musician's used. We don't expect any changes as a result of this buy-out."

He added that management had an unspecified interest in the transaction.

Selmer was acquired by

Selmer was acquired by Philips in 1974 as part of the Dutch group's purchase of the Magnavox company, and the sale forms part of its withdrawal from non-strategic sec-tors outside electronics. It is understood that the

deal, which was concluded last month, will be booked against 1988 carnings.
Scher has succeeded in building a presence in Japan, its biggest export market, where it competes against such established brands as

The announcement of the sale came after the Amsterdam bourse had closed. Philips shares were F1 0.20 off at F1 36.20, in line with the rest

Fears of downturn keep optimists in check

Peter Marsh and James Buchan on long-term concerns in the now buoyant industry

he price in US shops of a gallon of anti-freeze has tripled in the past year to about \$9, the most evi-dent sign to the average Amer-ican of the booming times for the US chemical industry.

Most forecasters believe the sector will have another good year in 1989, although many in the business admit to a few worries about its performance in the early 1990s.

Anti-freeze, otherwise known as ethylene glycol, is one of a host of materials made from ethylene, a basic raw material for the chemicals industry. Ethyleue has been in high demand in the US over the past year, due to the general surge in consumption of many ethylene-derived substances such as plastics and industrial

The soaring demand has come at a time of constraint in production of many basic chemicals, due to a general chemicals plants in new chemicals plants in the US since the sector went through a decline in the early 1980s. That, in turn, has led to steep price rises affecting many products, including anti-freeze.
The industry's good times have led to s profits surge for many big US producers of basic chemicals, including Description (Chemical Operation).

Chemical, Quantum Chemical and Union Carbide. The US Chemical Manufacturers Association is predicting another good year for 1989. It believes the industry's output of about \$240bn last year will rise by 7 per cent in 1989, about the same amount as it increased over the past 12

At the same time there has been a surge in investment. Capital spending in the industry was about \$21bn in 1988, 24 per cent up on 1987. There will be a further 11 per cent **US Chemical industry** Output (\$ bn) 300

1986 87 Source : US Chemiosi Manufa



increase in 1988, according to a survey in Chemical Week, a US

trade magazine.

Many executives in the chemicals industry expect the good times to continue, at least for the next year or two. Mr John Burns, chief executive of Vista Chemical, a big US producer of polyvinyl chloride, a learn colling plastic words from large-selling plastic made from ethylene, says: "The fundamen-tal outlook for the sector is

pretty good."
The strong financial performance of many US chemicals producers has, however, made Du Pont, the US industry leader and the world's fifth big-gest chemicals group, look flat-footed.

ble company with sales of well over \$30bn, has been held up by weakness in some of its diversified businesses, notably oil and gas and biomedical

These poor performances have obscured benefits from cost-cutting and skilled marketing in the traditional areas

of Du Pont's market, such as fibres, polymers and agricul-tural and industrial chemicals. Du Pont's \$7.8bn purchase of the Conoco oil and gas business in 1981, when chemicals companies were anxious about the security of feedstocks after the second oil shock, is thought by many to be at the root of the company's prob-lems. Since 1981, oil prices have collapsed and the Conoco business has earned Du Pont

only a modest return. Ms Pat O'Brien, an analyst with the specialist chemicals research house, Anantha Raman, says: "With 20:20 hind-sight, buying Conoco was the worst decision Du Pont could

Wall Street is looking to Mr Edgar Woolard, who takes over as Du Pont chairman in April from Mr Richard Heckert, to dispose of part or all of Conoco. Mr Woolard, a highly regarded fibres executive who apparently had little to do with the Conoco purchase, has already said he will look carefully at

all options for the business. The Du Pont biomedical division, which has consumed hun-dreds of millions of dollars in research funds without a major product, has also disappointed Wall Street. Du Pont's recent decision to drop support for research into an anti-Aids compound, Ampligen, has increased investors' impa-tience. Some analysts say the business, although it has sales in excess of \$1bn, lacks critical mass and Du Pont should expand or drop the operation.
The worries about Du Pont link with some of the underlying anxieties about the long-term strength of the US chemicals business. There are particular fears about the effects on the industry of a US

economic recession in the

000

Chemical industry

The chemicals sector sells The chemicals sector sells roughly half its output to other manufacturing industries and is thus linked directly to the peaks and troughs in demand for capital goods. As a result, it is a notoriously cyclical industry which could well be in line for a downtum over the next for a downturn over the next

few years. Seen in this light, the profits seen in this light, the promissurge for the sector since late 1987 may not be as attractive as it appears and may simply be compensating for the red ink that was spilling from the sector during the early 1980s, when demand for many basic chemicals had stalled.

The poor overall returns

The poor overall returns from the industry over the past decade have been illustrated by Mr Mark Fisler, a chemicals expert at CMAI, a Houston-hased consultancy. He has produced the consultancy. duced calculations to show that - until demand and prices for many synthetic materials improved over the past year – chemicals compa-nies would have done better

nies would have done better economically by investing in Treasury securities, rather than putting their cash into new chemicals plants.

The upturn in investment triggered by the better times for the industry has led to a rash of new projects for bulk chemicals, notably ethylene. CMAI forecasts that total US CMAI forecasts that total US capacity for this material will rise from 37bn lbs in 1988 to

That, however, her led in fears that demand for ethyl-ene-based chemicals may not be enough to absorb the extra supply, a position which could lead to a downtum in prices

and profits.

Mr Norman Young, semor Mr Norman Young, senior vice president at the chemical division of Texaco, the US officially the chemicals industry has been prone to over-invest. My concern is that we will misjudge and demonst.

Another problem may be the ceffect of the price rises for many chemical products on customers. Some in the US: industry believe higher price -cannot be sustained for much -longer without harming the h industry's capacity for growthere in areas like plastics for pack- ar aging and for the car and asve-1:

space industries.

Mr Jerry Hamaium, a marketing manager at Exxon Chemical says: There is some concern that the price rises. have been making some case tomers think twice about new

tomers think twice about new applications."

In response to these worder, Du Pont — in a strategy which it shares with Monsanto, another of the big US chemical concerns — has been laying the foundations for achieving the foundations for achieving ence-based areas such as drops of Although the strategy.

ence-pased stress status as the second stress. Although the stressey has, and led to missed opportunities in the basic chemicals boom over the basic chemicals boom over the basic chemicals boom over the second stress and second the past year, it may turn out to be the most sensible way of planning for the longer term. This is the sixth and last article in a series on the US chemicals industry. Other articles on Monsanto, Dow Chemical, Union Carbide, Ster-ling Chemical and Quantum Chemical appeared on Decem-

ber & 14. and 22 and January 3

Pan Am to shed services subsidiary

PAN AM, the US aviation group, has announced it is to sell its big contract services business to free capital for investment in its struggling airline, James Buchan writes

from New York.

Am is looking for buyers for its Pan Am World Services subsidiary comes a week after the airline group said it would raise \$115m by selling its orders and options for a fleet of

accident with the loss of its Flight 103 with all passengers and crew on December 21.

World Airways, over the slow winter months and improve its equipment and service. The airline suffered a catastrophic

Insurer takes GPA stake

NORTHWESTERN Mutual Life ment, Our Financial Staff Insurance, the 10th largest life writes.

Northwestern Mutual paid. has bought 1,4 per cent of GPA, formerly Guinness Peat Aviation, the financial services company which speci-alises in aircraft asset manage-

Northwestern Mutual paid about \$22.4m for the stake, at a per share price equivalent to that paid last month by an Irish group for a 14 per cent



IKTISAT BANKASI T.A.S.

Iktisat Bankasi Turk A.S.

U.S. \$30,000,000 Syndicated Loan

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Banca Popolare di Milano New York Branch
Banco de Formento Nacional Brussels Branch Bank for Foreign Economic Affairs of the USSR zurich Branch Banque Internationale de Commerçe

Banque Vernes et Commerciale de Paris Bayerische Vereinsbank Aktiengesellschaft (Groupe San Paolo)

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Manufacturers Hanover Limited

December 1999

The Investment Banking Group

This announcement appears as a friatter of record duly.

U.S. \$30,000,000



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INTERNATIONAL COMPANIES AND FINANCE

Massive increase in share activity at **Brierley Investments**

check

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A market of the internal

the greet with ex-

MORE THAN 100m Brierley day. In New Zealand that day, Investments (BIL) shares, representing at least 6 per cent of the New Zealand company's cent of total turnover, on Tues-

issued capital, have changed hands in the past month.

BIL has declined to discuss who has been buying the company's shares and whether only one main purchaser is involved.

Mr Byron Hancov density

Mr Bruce Hancox, deputy chairman, said only that since the surge in demand some institutions had shown renewed interest in the company. Sir Ron Brierley, chairman, has claimed for several months that his company is undervalued on the market.
It is understood that some of the parcels brought in December have since been resold possibly by investors taking a

profit as continuing demand has pushed BIL's share price up more than 25 cents. On some days, including last Friday, more than half the turnover on the New Zealand exchange was in Bill shares. On that day, the 3.5m shares traded made up 62 per cent of total turnover. Three sales. totalling 3.4m units, were off-market. Each transaction

Interest has been maintained by large buyers — 11.5m shares were sold in Australia on Mon-

day. . The surge in demand for BIL. shares began on December 9, with 6.7m changing hands in New Zealand at NZ\$1.14. Since then, 55.4m shares have been sold in the domestic market



Sir Ron Brierley: claims company undervalued

and 45.6m in Australia. BIL closed unchanged yesterday at

The demand for BIL's shares and their consequent gain in price has been a key reason for a rise in the Barclays index over the past week.

Mass Transit Railway Corporation

HK\$3,000,000,000

Medium Term Note Programme

HK\$ Floating Rate Notes

Issue Date : January 9, 1989 Maturity Date: April 9, 1990

Interest payable at three monthly intervals Notice is hereby given that the HIBOR applicable to the subject notes for the period from January 9, 1989 to April 10, 1989 has been fixed at 9.125% p.a. The first

Morgan Guaranty Trust Company of New York Hong Kong as HK Reference Agent

interest payment date will be on April 10, 1989.

Republic of Venezuela up to U.S. \$350,000,000

Floating Rate Notes Due 1995

In accordance with the terms and conditions of the Notes, notice is hereby given, that the interest rate for the interest Period from 10th January, 1989 to 30th June, 1989 is 1074% p.a. The Coupon Amount sayable on the 30th June, 1989 for notes of U.S. \$10,000 and U.S. \$100,000 is U.S. \$516.56 and U.S. \$5,165.63 respectively.

Bankers Trust Company, London Agent Bank





Nationwide Anglia Beliding

Floating Rate Notes Due 1995

Interest Rate

131/4% per annum

Interest Period

10th January 1989 10th April 1989

Interest Amount per £5,000 Note due 10th April 1989

Credit Suisse First Boston Limited Agent Bank

The Yasuda Trust and Banking Company, Limited Notice to Holders of

The Yasada Trust and Banking Company, Limited IJ.S.\$100,000,000 2%% Convextible Bonds Due 2001 U.S.\$100,000,000 1%% Convertible Bonds Due 2002

U.S.\$200,000,000 2%% Convertible Bonds Due 2003

Offering of shares to shareholders

Pursuant to Clause 7(8) and (C) of the Trust Deeds dated 10th November, 1986, 10th September, 1987 and 26th July, 1988 (collectively the "Trust Deeds") constituting the above Convertible Bonds (collectively the "Bonds") respectively, notice

is hereby given as follows: On 19th December, 1988, the Board of Directors of The Yasuda

Trust and Banking Company, Limited (the "Company") resolved to offer rights to subscribe for Shares of common stock of the Company to its Shareholders as of the record date stated below. Accordingly, the Conversion Price of the Bonds may be adjusted in accordance with clause 7(H)(ii) of the Trust Deeds depending on the current market price of the Shares of the Company at such

(A) Record Date (Japan Time): 3:00 p.m. 31st January, 1989 Ratio of Issue: 0.1 share for each one share Issue Price: Japanese Yen 1,000 per share Date of Adjustment (if necessary): Ist Pebruary, 1989

Date: 12th January, 1989 The Yasuda Trust and Banking Company, Limited

|Japan tests foreign brokers' mettle

Patti Waldmeir on the battle for profits among international firms

fter years of effort and massive sums spent setting up in the Tokyo market, most foreign securities houses in Japan find profitability as remote a goal as

But although some analysts in Tokyo believe losses will force more foreigners to follow last week's lead from Hoare Govett and give up on Japa-nese equities altogether, few are holding their breath for a big shake-out in the

Mr Henry Strutt, general manager of Jardine Fleming (Securities) in Tokyo, says: (Securities) in Tokyo, says:
"I'm sure we will see others
pulling ont. From a strictly
commercial point of view, we
certainly ought to."
According to figures published last week by the Nikket
Financial Daily, of 47 foreign
firms licensed by the Japanese
Ministry of Finance more than
80 per cent lost money in the

80 per cent lost money in the year to September. Differences in the way firms

charge research costs and other overheads make comparisons difficult, but it is clear that only a handful of them are making reasonable profits on their Tokyo operations while many more "are losing money like tearing up Y10,000 notes," in the words of one foreign bro-

Many firms established their Japanese operations at a time when global broking was gen-erally believed to be a good thing, says Mr Strutt, but with no real logic as to how the businesses might make

The 47 together account for under 4 per cent of trading volume on the Tokyo Stock

And as pressure on profit.
ability has increased in their
core markets, firms are inevitably tempted to jettlson what many consider to be peripheral operations in Japan.

By Alice Rawsthorn

WACOAL, the Japanese group which is one of the world's largest underwear manufactur-

ers, plans to move into the European lingerie market. The group intends to open a

European office, probably in France or the UK, by the end of this year. It is also consider-

ing the feasibility of establish-

ing a presence in southern

Europe, possibly Greece. Wacoal, which dominates

By lan Hamilton Fazey

COURTAULDS, the UK textiles

group, yesterday increased its offer to buy out the minority shareholders of Tanhmans Industries, an Australian paint

company in which it already holds 56 per cent. The Australian Government

would not oppose the company becoming wholly owned, Courtaulds added.
Courtaulds claims to be the world's eighth largest paint maker through its international Paint subsidiary, domin-

Wacoal plans move into

wacoal, which dominates the lingeric market in south-east Asia, recently expanded warner — which moved into Europe in the control of the con

It still commands a compara-tively small share of the over-ly-owned Swiss company.

Raised bid for Taubmans

European lingerie field

The most extreme move so far has come from Hoare Govett, the UK broker owned by Security Pacific of the US, which last week announced it was withdrawing from all Japanete continuously hostograms. was within any related business, part of a wider restructuring which involves it abandoning gits and Eurobonds in London

Three weeks earlier, Citicorp Scrimgeour Vickers had said it was disbanding its equity research team in Tokyo and shifting its focus from the sale of Japanese stocks to more sophisticated equity

was at the bottom of the pile in terms of profitability, the foreign broking community in Tokyo has naturally begun to wonder who might next success to the might next succumb to the ures of Tokyo's high-cost and highly competitive envi-

The answer, it would appear, cannot be determined simply by a quick giance at the profitand-loss accounts of the various firms

Mr Strutt says: "If decisions were being taken purely on hard-nosed commercial grounds, then many more would be pulling out."
He and others in the industry argue that the decision to

withdraw is political as well as commercial, and that it can have long-term strategic impli-

Firms which leave today cannot expect to be welcomed back by the authorities when and if conditions improve. According to one local hranch

all US market, but has made

significant inroads into the

premium sector.
Whereas other areas of the

European textile industry have

been eroded by low cost compe-

tition from the Far East, linge-rie is still dominated by the

multinational North American

and European manufacturers. When Waccal enters the

European market it will face

ating marine and protective coatings markets globally. It is second to ICI in Australian

The new offer price for Taubmans is A\$5.70, np 70 cents from the initial bid made on

November 28. The offer will also be ex-dividend, enabling shareholders to keep a 6 cent interim payout. This values Taubmans at A\$104.7m (US\$90.8m). The cost of the

acquisition will thus he

markets overall.

FOREIGN FIRMS' E	QUITY MARKE	T SHARE	both should and will be
r to September	1988	1987	fewer. But at the moment, the signs
aign firms' trading volume al trading voluma aign firms' ahara of total	20.4bn shares 537.9bn shares 3.8%	14.2bn shares 532.5bn shares 2.7%	are that life will not get much easier for foreign houses in Tokyo for some time to
	Source: Japan Securitie	sa Denierg' Association	come.

TOP 10 FOREIGN BROKERS IN JAPAN (by TSE volume, fourth quarter 1988)

Morgan Stanley Goldman Sachs Salomon Bros W.I. Carr Jardine Fleming Prudential Bache S.G. Warburg

trouble over their acquisition of UK hrokers – may suggest that pressures abroad could

have more impact on the bro-ker attrition rate in Tokyo

than conditions in the local

But the consensus in the industry is that, on its own

merits, Japan can probably support no more than 10 to 15 foreign securities firms profitably, and many fewer which focus primarily on

Simple overcapacity is not the only problem, argues one experienced foreign broker. Indeed, with 47 firms fighting for under 4 per cent of

the market, overcapacity is undeniable, but it's not just a matter of too many brokers chasing too little business. "The problem is that too many of them are running

Some brokers argue that, is

future, the best profits will come from developing and

trading derivative products rather than straight equities,

where competition from the

Big Four Japanese houses is

Others believe that foreigners can add value to the busi-

ness of selling Japanese stocks

to Japanese customers, although it is difficult to resist

the logic of the view expressed by Citicorp's Mr Peter Scorpil, that "there is not a Japanese customer alive who has any interest in our

Everybody agrees that there

are too many foreign brokers in Tokyo, and most think there

nendation on a Japanese

half-cocked operations."

market

equities.

manager: "After wingeing and mosning for months about getting licences, the Ministry of Finance is not going to be amused if firms say they don't want them any more."

Sacking Japanese staff, in the land of secure employment, will not exactly help a firm's chances of attracting qualified employees to other branches of the business. And the stigma of a failed securities operation could damage the wider reputation of companies which have corporate finance or investment banking operations

For many securities houses, too, ahandoning the crucial Asian link in the 24-hour global chain is out of the ques-

All this points to some serious retrenchment in the indus-try over the next six months or - but probably few full

withdrawals. "The weaker-capitalised firms cannot afford to continue as they are," says one broker, "But the larger ones simply

cannot afford to leave." The pattern established by Citicorp and Security Pacific -

		in Tokyo for son	16 7711
turce: Japan Se	curities Denlers' Associa		
I G INDEX	ITD 9-11 GROSV	ENOR GARDENS, LONDON	SWIW

Tel: 01-828 7233/5699 Reuters Code; IGIN, IGIO FT 30 FTSE 100 WALL STREET

Jan. 1500/1509 -4 Jan. 1836/1846 N/C Jan. 2190/2202 N/C

Mar. 1514/1523 -2 Mar. 1853/1863 +2 Mar. 2200/2212 N/C

Prices taken at 5pm and change is from previous close at 9pm

DECLARATION

UNITED KINGDOM CURRENCY EQUIVALENTS

In accordance with the standard conditions relating to the payment of the dividends declared by the undermentioned companies on 13 December 1988 and on 6 December 1988 in the case of Gold Fields of South Africa Limited), payments from the office of the United Kingdom Registrar will be made in United Kingdom currency at the rate of R4.2163. South African currency to 51 United Kingdom currency at the rate of 142763 South African currency to 51 United Kingdom currency, this being the first available rate of exchange for remittances between the Republic of South Africa and the United Kingdom on 10 January 1989 as advised by the companies' South African bankers.

The United Kingdom currency equivalents of the dividends are therefore

Name of Company
(All companies are incorporated in the Republic of South Africa) Amount Gold Reids of South Africa Limited preference shares 34.390343p Decidraal Gold Mining Company Limited 7.115243p Doomfontein Gold Mining Company Limited 2.371748p **Driefonlein Consolidated Limited** 18.973982p Kloof Gold Mining Company Limited

Liberon Gold Mining Company Limited 4.7434950 Venterspost Gold Mining Company Limited 5.929369p By order of the Boards per pro CONSOLIDATED GOLD FIELDS PLC London Secretaries Mrs G M A Gledhill, Secretary London Office: 31 Charles II Street St Jernes's Square LONDON SWIY 4AG United Kingdom Registrar fill Samuel Registrars Limited 6 Greencoat Place LONDON SWIP IPL

14,2304860

10 January 1989 MEMBERS OF THE GOLD FIELDS GROUP

NOTICE TO HOLDERS OF HOME SHOPPING NETWORK, INC. CONVERSION SHARES

In connection with the lawsuit brought by Home Shopping Network, Inc. ("HSN") against Drexel Burnham Lambert Incorporated, Michael R. Milken and Bankers Trust Company as Trustoe, and other named and unnamed defendants, the U.S. District Court in Tampa, Florida issued an order on October 11, 1988 permitting HSN to piece a notice of claims on certain shares of HSN Common Stock to be issued upon conversion of HSN's 51½ Convertible Subordinated Debentures due April 22, 2002 (the "Convertible Debentures"). As a result of the court's order, HSN will place a notice of claims relating to the sult on certain shares of HSN Common Stock to be issued in connection with any conversion of HSN's Convertible Debentures occurring after October 11, 1988, Holders of Convertible Debentures who convert after October 11, 1988 will be issued shares of HSN Common Stock besed upon a conversion price of \$7.05 per share. Converting debenture holders will be issued two types of certificates representing such shares. Certificates representing that number of shares issuable at a conversion price of \$25.80 per share will not be marked with a notice of claims and will be identical to the standard certificates representing HSN Common Stock. These conversion shares will be listed on the American Stock Exchange. Certificates representing that number of shares issued in excess of the \$25.80 conversion price (the "Contested Shares") will be marked with a notice of claims. The notice of claims will indicate that the marked Contested Shares may be subject to cancellation if HSN prevalls in its lawsuit and the court grants the equitable relief requested by the Company. The American Stock Exchange. The marked Contested Shares marked with a notice of claims will not trade with HSN Common Stock on the traded, however, in the over-the-counter market. Trades in marked American Stock Exchange. The marked Contested Shares will be traded, however, in the over-the-counter market. Trades in marked Contested Shares may only be affected by physical delivery of certificates representing such shares.

Shares of HSN Common Stock issued in connection with conversions of Convertible Debentures which occurred prior to October 11, 1988 were not marked with a notice of claims and will not be subject to cancellation. These unmarked shares of HSN Common S and freely tradeable on the American Stock Exchange.

MARUI CO., LTD.

(Kebushild Kaisha Marui)

Holders of U.S.\$30.000,000 6Vi per cent convenible bonds 1991 of the above company are here
roulled in accordance with the frust deed constituting the bonds that the conversion price will be adjuste
tom Yen 668.6 to Yen 591.10 per phare with offset from Fobrasary 1, 1988.
Holders of U.S.\$50,000.000 6 per cent convertible bonds 1996 of the above company are here
routhed in accordance with the trust deed constituting the bonds that the conversion price will be adjuste
trom Yen 699.50 to Yen 579.10 per share with offset from February 1, 1989.
Holders of U.S.\$100,000.00 3V per cent conventible bonds 1986 of the above company are bereb
notfilled in accordance with the trust deed constituting the bonds that the conversion price will be adjuste
from Yen 1,182.00 to Yen 1,182.20 per share with effect from February 1, 1989.
This adjustment results from the free distribution of new shares to the holders of record as of Jenues
31, 1989, at the robe of 0.03 new share for one share held.

Tops Series IV Limited

(Incorporated with limited liability in the Cayman Islands) U.S.\$130,000,000

Series IV Floating Rate Trust Obligation Participation Securities due 1992

Secured by a Charge on a Portfolio of Fixed Rate Bonds and Notes with an aggregate principal amount, of U.S.\$186,355,000

For the period 10th January, 1989 to 10th July, 1989, the securides will carry an interest rate of 9.775% per annum with a coupon amount of U.S.\$12,286.63 per U.S.\$250,000 denomination and U.S.\$24,573.26 per U.S.\$500,000 denomination, payable on 10th July, 1989.

Listed on the Luxembourg Stock Exchange

Bankers Trust Company, London

Agent Bank

To the Holders of Warrants to subscribe for shares of common stock of SUMITOMO FORESTRY CO., LTD. (the "Company")

(Issued in conjunction with an issue by the Company of U.S.\$100,000,000 51/2 per cent. **Guaranteed Bonds Due 1992 with Warrants)**

Notice is hereby given, in accordance with clause 4 (E) (iii) of the Instrument by way of deed poll dated 29th September, 1988 made by the Company in connection with its issue of bearer warrants ("Warrants") to subscribe up to = y13,505,000,000 for shares of common stock of the Company that the Company changed, at its annual general meeting of the shareholders held on 16th December, 1988, with immediate effect from such date, its financial year-end from 30th September to 31st March. As a transitional measure, the Company has a six-month fiscal period from 1st October, 1988 until 31st March, 1989 and thereafter its annual fiscal period will be from 1st April until 31st March of each following year. Accordingly, the record date for the payment by the Company of annual cash dividends will become 31st March in

each year (starting from 31st March, 1989).

The dividend accrual period shall henceforth be the sixmonth period from 1st October, 1988 to 31st March, 1989 and each subsequent annual period ending on 31st March in each year. Except for the change in the dividend accrual period, the Terms and Conditions of tha Warrants shall remain unmodified and with respect to any annual cash dividend payable on the shares issued upon exercise of Warrants, such rcise shall be deemed to have taken effect at the beginning of the dividend accrual period in which it occurs.

Dated: 12th January, 1989.

Principal Paying Agent.

UNION BANK OF FINLAND LTD

(Incorporated with limited liability in Helsinki, Finland)

¥8,000,000,000

Floating Rate Notes Due 1994

In accordance with the Terms and Conditions of the Notes, notice is hereby given that the Rate of Interest for the Interest Period from 11th January, 1989 to 11th July, 1989 being the first Interest Paymeot Date (all as defined in the Terms and Conditions), is 5.15% per annum. Interest payable on 11th July, 1989 will amount to \pm 1,276,918, per \pm 50.000,000 principal amount of the Notes.

Agent Bank The Long-Term Credit Bank of Japan, Limited

CORRECTION NOTICE
NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEPTS (EUR.) IN
MITSUL & CO LTD.

mea.

meant of the dividend with a 15% withholding tax is subject to receipt to existe you the Agent of a valid affidant of residence in a country having or agreement with Jepsa giving the borefit of the reduced withholding receipt of a valid affidant Jepsase withholding tax will be deducted of 20% on the gross dividend payable. The full rate of 20% will also be a stylidende unclaimed after April 30, 1989.

Ounts payable in respect of current dividends. Ovidend psychic less 15% Japanese less 20% Japanese withholding tax

B.S.G. International plc Birmingham

has acquired .100% of the shares

Teutonia GmbH & Co KG Hiddenhausen, West Germany.

WestLB Mergers & Acquisitions has acted as advisor to Teutonia during the negotiations leading to the deal.

> WestLB Westdeutsche Landesbank Düsseldorf

> > December 1988

Branches: London New York Tokyo Hong Kong Subsidiaries: WestLB International S.A., Luxembourg Banque Franco-Allemande S.A., Paris Westdeutsche Landesbank (Schweiz) AG, Zurich WestLB UK Ltd., London WestLB Securities Pacific Ltd., Tokyo

Representative Offices: Beijing Melbourne Moskow Osaka Rio de Janeiro Tokyo Toronto

faces difficult task

PHLISBURY, the Minnespolis food and restaurant group recently acquired by Grand Metropolitan, of the UK, has appointed Mr Ian Martin chair appointed Mr Ian Martin chair man and chief executive.

Sales at Pillsbury's Burger

By Karen Zagor in New York

food and restaurant group recently acquired by Grand Metropolitan, of the UK, has appointed Mr Ian Martin chair-

man and chief executive.

Mr Ian Martin

Mr Martin, 58, replaces Mr Philip Smith, who resigned after holding the positions for

only five months. Mr Smith had unsuccessfully tried to fend off GrandMet's \$5.75bn tender offer for Pillsbury at the end of last year.

Charles Boesenberg, Apple

months.

In his new role, Mr Martin faces the difficult task of head-Minneapolls.

shake-up at Apple

INTL. APPOINTMENTS

New Pillsbury chief

King restaurants have fallen steadily despite heavy advertis-ing campaigns. Furthermore, the company's flour and pack-

aged food business saw no growth in volume in its second quarter to November. GrandMet plans to use Pills-

GrandMet plans to use Pillsbury as the headquarters of its worldwide food interests, which include Express and other British husinesses. It believes its experience in food retailing in Europe will help Pillsbury's brands develop in that market. Moreover, it sees a large European potential for Pillsbury's leading expertise in microwave foods.

A native of Dundee, Mr Martin Joined GrandMet in 1979, in the company's Watney Mann &

tin joined GrandMet in 1979, in the company's Watney Mann & Truman brewery subsidiary, where he became chairman and chief executive officer in 1982. He was elected a director of GrandMet in 1985 and was named chief executive of US

Mr Martin will be based at Pillsbury's corporate offices in

operations in 1986.

Redland ADJOURNED MEETINGS OF WARRANT BOILDERS AND BONDHOLDERS

REDLAND CAPITAL PLC (Registered in England No. 2067053)

Notice of an adjourned Meeting of the Holders of the £60,000,000 7%, per cent. Convertible Bonds Due 2002 of Redland Capital PLC (the "Bondholders" and the "Bonde" respectively)

"Honds" respectively)
In accordance with the terms and conditions of the Trust Deed dated 3rd March, 1967 constituting the Bonds, notice is hereby given that the Meeting of Bondholders converned by Recland Capital P.C. for 5th January, 1989 by a notice dated and published in the Pinancial Times on 9th December, 1989 was adjourned through lack of quorum and that the adjourned Meeting of Bondholders will be held at the offices of The Chuse Manhattan Bank N.A., Woolgate House, Coleman Street, London BC2P 2HD on Wednesday 25th January, 1989 at 10.05 a.m. (or so soon thereafter as the adjourned Meeting of Holders of Warrants issued with U.S. \$25,000,000 9%, per cent. Guaranteed Bonds Due 1991 of Redland Finance N.V. convened for the same day and place shall have concluded or been further adjourned) for the purpose of considering and, if thought fit, passing the following Resolution which will be proposed as an Entraordinary Resolution.

EXTRAORDINARY RESOLUTION

THAT this adjourned Meeting of the Holders of the £60,000,000 7%, per cent. Convertible Bonds Due 2002 of Redland Capital PLC quaranteed on a subordinated basis by, and convertible into Ordinary shares of, Redland PLC (the "Company"), constituted by a Trust Deed dated 3rd March, 1987 ("the Trust Deed") executed between Redland Capital PLC and the Company and The Law Debenture Trust Corporation p.Lc. (the "Trustee") hereby:

(1) generally and unconditionally authorises and gives consent to the Company at my time and from time to time up to 4th January, 1994 to make market purchases (within the menning of section 163(3) of the Companies Act 1985) of its Ordinary shares of 25p each upon and subject to the condition that the price at which Ordinary shares may be purchased shall not be less than 25p per Ordinary shares exclusive of expenses Provided that the Company may before the expiry of this suthority and consent make an offer or agreement which would or might require in Ordinary shares to be so purchased after such expiry as if the authority and consent hereby given had not expired; and (2) authorises Redland Capital PLC, the Company and the Trustee to concurs

authorises Rediand Capital PLC, the Company and the Trustee to concur in, execute or do any document, act or thing necessary to give effect to this Extraordinary Resolution.

nk, N.A., Chase Manhattan Bank Lucembourg S.A., 5 Rue Plactis, Screet, L2338 Lucembourg, Grund, Lucembourg.

BY ORDER OF THE BOARD R. G. F. Smith

REDLAND FINANCE N.V.

Notice of an adjourned Meeting of the Holders of the Warrants issued with U.S.\$25,000,000 99, per cent Gustronteed Bonds Due 1991 of Redland Finance N.V. (the "Warrant Holders" and the "Warrants" respectively)
In accordance with the terms and conditions of a Warrant Agreement dated 15th March, 1979 executed by Redland Finance N.V. and Chase Manhattan Bank Lumembourg S.A. (the "Bank") (the "Warrant Agreement") notice is hereby given that the Meeting of Warrant Holders convened by Redland Finance N.V. for 5th January, 1989 by a notice dated and published in the Financial Times on 9th December, 1988 was adjourned through lack of quorum and that the adjourned Meeting of Warrant Holders will be held at the offices of The Chase Mankathan Bank N.A., Woolgate House, Coleman Street, London ECLP 11D on Wednesdey 25th January, 1989 at 10.00 a.m. for the purpose of considering and, if thought fit, Passing the following Resolution which will be proposed as an Extraordinary Resolution:

EXTRAORDINARY RESOLUTION

generally and unconditionally authorises and gives consent to the Company at any time and from time to time to unke market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of its Ordinary shares of 25p each upon and subject to the condition that the price at which Ordinary shares may be purchased shall not be less than 25p per-Ordinary shares may be purchased shall not be less than 25p per-Ordinary shares may be purchased shall not be less than 25p per-Ordinary shares may be provided and every modification, shrogation or variation of the rights of the Warrant Holders against the Bank and each and every compromise or strategement in respect of the rights of the Warrant Holders as is or may be involved in the implementation of any such purchases whether such rights shall arise under the Warrants or otherwise and in particular to discharge the Bank from the obligation to make an adjustment to the Subscription Price for the Warrants is accordance with Condition 5(A)(iii) of the Warrants if and to the extent that the Company makes market purchases in accordance with this authority; and

purchases in accordance with this authority; and authorises the Bank and the Company to concur in, execute or do any document, act or thing accessary to give effect to such authorisation, consent, sanction and approval of each and every such modification, abrogation, variation, compromise or arrangement. BY ORDER OF THE BOARD

Dated 12th January, 1989 Registered Office: Handleskade 8,

THE BANK Chase Manhattan Bank Luxembourg S.A., 5 Rue Placris, L 2338 Luxembourg-Grund,

THE RECEIVING AGENTS Banque de Commerce S.A., 51/52 Avenue des Arts, B-1040 Brussels, Beigium.

CEDEL S.A.

67 Boulevard Grand Duchesse Charlotte, Luxembourg-Ville, Luxembourg. Morgan Guaranty Trust Company of New York, Euro-clear Operations Centre, 1000 Rue de la Régence 4, B-1040 Brussels, Belgium.

Dated 12th January, 1989 Resistered Office:

THE PAYING AGENTS

The Chase Manhattan Be Woolgate House, Colema London ECZP 2HD.

A Warrant Holder wishing to attend and vote in person at the adjourned Meeting of Warrant Holders must produce at that Meeting a Warrant Certificate or a valid sting certificate issued by a Receiving Agent at the offices specified above (the "Receiving Agents"). A Bondholder wishing to attend and vote in person at the adjourned cetting of Bondholders must produce at that Meeting a valid voting certificate issued by a Paying Agent at the offices specified above (the "Paying Agents").

Meeting or bondinoters must produce at that seeining a value voting channels are been a voting critificate to the person whom be wishes to attend on his behalf or give a voting instruction on a voting instruction form obtainable from the Receiving Agents in the case of the Meeting of Warrant Holders) or the Paying Agents in the case of the Meeting of Bondholders) or, in either case, from CEDELS.A. or Morgan Guaranty Trust Company of New York (as operator of the Euro-clear system) at the addresses set out above instructing the Receiving Agent (in the case of the Meeting of Warrant Holders) or the Paying Agent (in the case of the Meeting of Bondholders) or appoint a proxy and to attend and vote at the relevant Meeting to accordance with his instructions. Warrants may be deposited with (or to the order of a Paying Agent for the purpose of obtaining voting certificates or appointing proxies under a voting instruction until 48 hours before the time fixed for the relevant Meeting but not thereafter. Warrants and Bonds to deposited will not be released until the first to occur of:—

the conclusion of the relevant adjourned Meeting. or if a voting certificate has been issued

the surrender of the voting certificate to the Receiving Agent or Paying Agent who issued the same,

or if a voting instruction has been given

(iii) the surrender (not less than 48 hours before the time of the relevant adjourned Meeting) of the respective receipts to the Receiving Agent or Paying Agent who issued the same in respect of each such deposited Warrant or Bond which is to be released, coupled with a notice from the Receiving Agent or Paying Agent (as the case may be) to Rediand Finance N.V. or Rediand Captual PLC (as the case may be) of such surrender.

It should be noted that voting certificates or voting instructions which have already been obtained or issued in relation to the relevant first Meeting on 5th January, 1989 will remain valid for the purposes of voting at the relevant adjourned Meeting of Bondinders is two or more persons bring or representations of the purposes of voting at the adjourned Meeting of Warrant Holders is two or more persons being or representing Bondinders (whatever the principal amount of the Bonds for the busing outsmanding so held or represented.)

An adjourned Meeting of Warrant Holders or Bondholders at which a quorum is present shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the relevant first Meeting held on 5th January, 1989 had a quorum been present at that Meeting.

Severy question submitted to the Meetings will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded (in the case of the Meeting or Warrant Folders) by the Chairman of the Meeting or by any person holding a Warrant Certificate, a relevant voting certificate or being a proxy for the Meeting or (in the case of the Meeting of Bondindelers) by the Chairman of the Meeting or by one or more persons holding one or more voting certificates or being a proxy for the Meeting or (in the case of the Meeting of Bondindelers) by the Chairman of each Meeting shall have, both on a show of bands and on a poll, a custing vote in addition to the votes (if any) to which he may be centi

Any person entitled to more than one vote need not use all his votes in the same way or cast all the votes to which be is entitled in the same way.

4. To be passed, each Extraordinary Resolution requires a majority consisting of not less than three-fourths of the votes cast thereon at the relevant Meeting.

If passed, the Extraordinary Resolutions shall be binding on all Warrant Holders and Bondholders whether present or not at such Meetings and each of such Holders shall be bound to give effect thereto accordingly.

GENERAL

Copies of the Trust Deed, including the Terms and Conditions of the Bonds, referred to in the Extraordinary Resolution of Bondholders set out above will be available for inspection by Bondholders at the specified offices of the Paying Agents set out above. In accordance with normal practice the Trustee expresses no opinion on the ments of the proposal but has authorised into be stated that it has on objection to the Extraordinary Resolution being submitted to the Bondholders for their consideration. Copies of the Warrant Agreement referred to in the Extraordinary Resolution of Warrant Holders set not above will be available for inspection by Warrant Holders at the specified offices of the Receiving Agreem set out above.

copies or the warrant Agreement reterred to in the Extraordinary Resolution of Warrant Holders set not above will be available for inspection by Warrant Holders at the specified offices of the Receiving Agreems or out above.

The Company has no inumediate plants to purchase its own shares, but the Board would like to be able to act quickly if circumstances arose in which they considered such purchases to be destrable. It is not envisaged that the Company would make any such purchases unless their effect would be to increase earnings per share and would be for the heacilt of the Company generally.

The current requirements of The Stock Exchange limit purchases of Ordinary shares made through The Stock Exchange to a maximum of 14.9 per cent. of the issued Ordinary share capital of the Company at prices not exceeding 5 per cent, above the sverage of the middle market quotations taken from The Stock Exchange Daily Official List for the 10 business days before each purchase. The current requirements of The Stock Exchange also prevent the Company from purchasing its own shares during the period of two maintains before the amnouncement of its half-year or full-year results or at a time when price-sensitive habrunation has become known to the Company at not released to the public.

A Special Resolution of the Company authorising the Company to make market purchases of up to 10 per cent. of the issued Ordinary share capital of the Company, representing 27,000,000 Ordinary shares, was passed at an Extraordinary General Meeting of the Company held on 8th September, 1988. This shareholder authority will expire at the conclusion of the near Annual General Meeting of the Company, However in order to maintain the Board's flexibility of action it is envisaged that shareholders will be asked to renew it ammally. So as to relieve the Company, However in order to maintain the Board's flexibility of action it is envisaged that shareholders, the conclusions of the near Annual General Meeting of the Company, Resolutions will not req

Sanwa-BGK Securities Co., L.P.

is pleased to announce the opening of its

London Branch

as a Primary Dealer in US Government Securities.

John A Vernon - Managing Director - Branch Manager William T Harrington - Executive Director - Head of Sales Anthony A Hill - Executive Director - Head of Trading

> Undershaft London EC3R 8BR

Telephone: (01) 956-9064 Fax: (01) 956-9066 Telex: 887132

A Member of The Securities Association

The Council of Europe

DM 250,000,000.

Floating Rate Note Option 1988/1996

Interest Rate: 57/8% p.a. Interest. January 11,

1989 to July 11, 1989 Period: Interest Amount per

DM 10,000 -- DM 295.38 per DM 100,000.- DM 2,953.82

Payable on: July 11, 1989

Trinkens & Burkhardt KGaA Agent Bank

SABRE III LIMITED US\$200,000,000 Floating Rate Secured Notes Due 1992 For the 6 months period 9th January, 1989 to 7th July, 1989 the Notes bear the interest rate the Notes bear are the rest rule at 9.8125% per annum. US\$4,787.99 will be payable from 7th July, 1989 per US\$100,000 principal amount

Europe) Limited, Agent Bank

INTL. COMPANIES

Suez to transfer holdings to Générale

COMPAGNIE Financière de Suez, the French privatised financial group, is planning to transfer a number of its shareholdings in major French industrial groups to Société Générale de Belgique, the Belgian conglomerate controlled

Suez will transfer its 5 per cent holding in Bouygues, the leading French construction group with media interests, as well as its 10 per cent stake in Accor, the French hotel chain, and its 2.2 per cent interest in Club Mediterrance, the French holiday resort group, to La Générale.

Suez yesterday declined to comment on the planned trans-fer of assets. However, the operation is widely seen as part of an internal reorganisa-tion between Suez and the Bel-gian conglomerate it now controis after a fierce takeover battle against Mr Carlo De Benedetti, the Italian entrepreneur, last year,

Suez had already announced at the end of last year plans to transfer to La Générale some of its industrial portfolio assets without naming the companies involved. The transfer is now expected to he formally announced after an executive board meeting of La Générale at the end of this month.

Behind the transfer is Suez view that the Belgian conglomerate has a more pronounced industrial character than itself. None the less, Suez is expected to maintain its traditionally close relationships with the three French industrial groups in spite of the proposed trans-

At this stage, the transfer is expected to involve the stakes Suez holds in Bouygues, Accor and Club Med and not in other industrial groups such as the privatised Saint-Gobain glass concern. Suez holds a 5 per cent stake in Saint-Gobain, which is eventually expected to rise to about 7 per cent.

RAS shares fall despite discounted rights issue

By Alan Friedman in Milan

SHARRS in Riunione Adriatica terday reacted very negatively di Sicurta (RAS), the second biggest Italian insurance con-cern that is majority owned by West Germany's Allianz Versicherung, were marked down yesterday on the Milan bourse following news of plans for a L372bm (\$278m) rights issue. The most striking feature of the equity offer, which will be

on the basis of three new shares for every 10 savings or ordinary shares already held, is that the stock is to be offered at an 82 per cent dis-count on Tuesday's price for RAS ordinary shares of L44.610.

The shares are to be priced at L8,000 each, as are the savings shares, for a discount of 60 per cent. The rights issue is also to be accompanied by a bonus scrip issue. In spite of the deep discount

involved, the Milan bourse yes- desirable."

to the RAS rights offer. It marked down the insurer's savings shares by 7 per cent to L18,200 and the ordinary shares by 1 per cent to L44,350. Analysts said the market was expecting a scrip issue and resented having to pay for new shares even at an enormous Mr Umberto Zappi, chairman

and managing director of the Milan-based RAS, said yester-day that he does not have any particular acquisitions in mind. "We are raising the funds in order to strengthen ourselves for the challenge of

1992," he said. Mr Zanni said the steep dis-counting of the shares being offered in the rights issue "is meant to be attractive to shareholders on the Milan bourse, where such incentives are

Roche in biotech tie-up

By Peter Marsh

F.HOFFMANN-LA Roche, the Swiss pharmaceutical group, has signed an agreement with Cetus, a US hiotechnology company, that could lead to the development of novel diagnos-tic products for illnesses such as cancer and AIDS.

Under the agreement, Roche will have the exclusive rights to market products based on a technique developed by Cetus to spot tiny fragments of genetic material in the body. The presence of specific frag-

ments of this kind may provide ciues as to whether a person is suffering from, or likely to contract, a number of diseases including certain kinds of cancers and genetic disorders.

As a result of the deal with Cetus - in which Roche has recently invested \$15m, giving it a 3 per cent stake - Roche hopes to develop new chemi-cals which will help it to further its position in the world's \$6bn-a-year market for prod-ucts in medical diagnosts.

Such products are used in hospitals and medical laboratories to monitor a range of phys-iological conditions. Roche is one of the leaders in this busi-ness, others include Smith-Kline Beckman and Abbott Laboratories, two US companies. Cetus said it knew of no other company which had the ability to spot such tiny pieces of genetic material effectively.

ising Silicon Valley company at the founding level." Mr Bos-senberg had spent two years at Computer's senior vice president in charge of US sales and marketing may signal a man-agement shake-up at the per-Apple. Industry analysts said, how-ever, that Mr Boesenbarg's sonal computer company, according to industry analysts. They noted several changes at

Signs of a management

THE RESIGNATION of Mr career decision to join a prom-

departure is a sign that Mr Loren, who joined Apple last year, is putting his stamp on the organisation. Prudential Bache analyst Mr the company over recent months.

Mr Boesenberg is leaving
Apple to join MIPS Computer
Systems, a Silicon Valley
developer of high performance Kimball Brown said: Loren is shaking things up like crazy. The new general is setting up his lieutenants to set the tone for the 1990s."

microprocessors, the core chips for many of the latest genera-tion of desktop workstations. Apple said that Mr William Coldrick would take over from Mr Boesenberg at Apple USA. Mr Coldrick was previously vice president and general

manager for Apple. USA's Northwest operations. Mr Allan Loren, president, Apple USA, commented: "We understand Chuck's personal

Analysts said that several key Apple executives have left the company in the past few months. Former chief operat-ing officer Mr Delbert Yocan,

who had been reassigned to other duties, has announced plans to leave, while chief financial officer Mr Deborah Coleman is about to take a five-month leave of absence.

Capel makes Far East changes

JAMES CAPEL, London based global investment house, announced a management reorganisation within its Pacific Basin divisions.

Mr Christopher Rampton, a Capel board director, has been appointed chief executive in Hong Kong, where he will oversee the expansion of the group's activities in the Far East region.

Particular emphasis will be

placed on Japanese markets as

an area targeted for strong growth. Mr Roger Atkins will remain managing director of Capel's Tokyo office.

Mr Tim Fiducia, who over secred strong expansion of the Hong Kong operation, is returning to London to coordinate the group's build-up in the emerging markets around the Pacific Basin. Capel's operations include Bangkok. Hong Kong, Singapore, Sydney, Taipei and Tokyo.

£ 15

FAT L

Veba Oel sells US energy unit

By Our Financial Staff

VEBA OEL, a subsidiary of Veba, the West German con-glomerate, has sold Mark Prod-ucing, its US-based natural gas unit, to Consolidated Natural Gas of the US and Japan Petroleum Exploration for \$245m.

Veba said that, as of January 1989. Consolidated Natural Gas owns 60 per cent of Mark Producing, while Japan Petro-leum holds the rest of the com-

pany.

The West German group said it had decided to sell Mark Producing, which it had owned since 1981, because of its losses

over the past few years.

Mark Producing controls gas
reserves of 5.7bn cu m in the
Gulf of Mexico, where it also
bolds oil reserves of about 5m barrels. In 1987, the company produced 413m cu m of gas.
Veba, meanwhile, is boosting its own oil production. Last year, the company increased its share of equity production in the consortium with the Libyan National Oil Company to 49 per cent, or 30,000 barrels a day, from 17 per cent or 10,500 b/d.

Thyssen Stahl, the steel arm of Thyssen, the West German conglomerate, said it swung to a net profit of DM342m (\$196.4m) in the fiscal year ended September 30, 1988, from a loss of DM209m a year earlier.

Figures were adjusted in

both years to reflect changes in German accounting proce-dures. The turnround reflected higher prices, increased sales and lower personnel costs.
In 1987-88, sales rose 7.9 per cent to DM9.24bn from DM8.56bn a year earlier. In volume terms sales terms in 7 per ume terms, sales were up 7 per cent. Cash flow, consisting of net profit, depreciations and fund pension contributions, rose to DM1.162bn from

These Bonds having been sold, covered only,

U.S. \$180,000,000



NIHON DORO KODAN - JAPAN HIGHWAY PUBLIC CORPORATION -

(incorporated in Japan pursuant to the Nihon Doro Kodan Law)

95/8% Guaranteed Bonds Due 1996 unconditionally and irrevocably guaranteed as to payment of principal and interest by Japan

Issue Price 1011/5 per cent.

Bank of Tokyo Capital Markets Group

J.P. Morgan Securities Ltd.

Banca del Gottardo County NatWest Limited Credit Suiste First Boston Limited Goldman Sachs International Corp Krediethank S.A. Laxembourgeoise

Merrill Lynch International & Co. The Nikko Securities Co., (Europe) Ltd.

Salomon Brothers International Limited Smith Barney, Harris Upham & Co. Incorporated

Union Bank of Switzerland (Securities) Limited

Yamaichi International (Europe) Limited

IRJ international Limited

Crédit Commercial de France

Eleismert Bengen Limited

LTCB International Limited

Morgan Stanley International

SBCI Swies Breek Corporation

Investment heading Trilyo Kobe International Limited

mira International Linksof

S.G. Warburg Securities

que Parihos Capital Markets Limited

Deutsche Benk Capital Markets Limited

JANUARY 1989

 $U_{ij} = \{i,j,m,m\}$

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VOGELSTRUISBULT METAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa) (Registration No. 05/04348/05)

	Year ended 31 December : 1988	
	R'000	R'000
Revenue Income from investments Sale of waste rock Interest and sundry revenue	12,150 225 287	8,483 651 455

447 381 447 381 Administration 12,215 7,188 Profit before tax 265 6,923 12,168 Profit after tax Unappropriated profit, brought forward 133

6,818 Dividends declared: 5,518 Interim 11 c (10 c) 1,839 2.023 5,334 Finel 29 c (20 c)

3.679 4.900 1,300 Transfer to general reserve Unappropriated profit, carried forward 238 Earnings per share -- cents Dividends per share - cents 30 Times dividends covered Net assets (as valued) per share -- cents

Annual Report The annual report will be posted to members in March 1989.

DECLARATION OF FINAL DIVIDEND Dividend No. 84 of 29 cents per share in respect of the year ended 31 December 1988 has been declared in South African currency,

payable to members registered at the close of business on 27 January 1989: Warrants payable on 1 March 1989 will be posted on or about 28 February 1989.

Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the company. Requests for payment of the dividend in South African currency by

members on the United Kingdom register must be received by the Company on or before 27 January 1989 in accordance with the above-mentioned conditions.

The register of members will be closed from 28 January to 3 February 1989 inclusive.

> By order of the Board, per pro CONSOLIDATED GOLD FIELDS PLC, London Secretaries, Mrs. G. M. A. Gledhill, Secretary.

United Kingdom Registrar: London Office: 31 Charles II Street, HIA Samuel Registrars Limited, St. James's Square, . . . 6 Greencoat Place, London SWIY 4AG. London SWIP 1PL 11 January 1989

.... A MEMBER OF THE GOLD FIELDS GROUP

NEW WITS

ENDED	\$1 DECEMBE	R 1988	
	TED RICOMES Six months ended if December 3 1988	*Six months ended	Year ended 30 June 1988
7704	R*000	R'000	R'000
REVISION Income from investments Surplus on realisation of	6,184	8,367	16,468
investments Interest and sundry revenue	1,574 51	2,828 43	4,038 128
	9,809	11,038	20,631
EXPENDITURE	2,280	1,368	3,248
Administration Exploration Interest paid	483 1,517 280	407 734 227	671 2,003 374
PROFIT BEFORE TAX	7,529 55	9,670 &	17,383 22
PROFIT AFTER TAX Minority shareholders' interest	7,474 79	9,662 102	17,381 250
PROFIT ATTRIBUTABLE TO MEMBERS	7,395	9,580	17,111
*Unaudited Earnings per share – cents Dividends – per share – cents – absorbing – R'000 – times covered	32 15 3,466 2.1	41 15 3,466 2.7	74 45 10,397 1.8
	ATED BALANC "At 1 December 31 1988	***	Al 30 June 1968
investments Properties and ventures Net current assets	87000 68,378 135 (6,426)	R*000 61,899 135 (4,095)	60,523 135 (2,011)
Current assets Less current liabilities	3,920 10,346	3,657 7,752	5,561 7,572
	62,445	57,939	58,647
Share capital . Reserves	5,778 55,706	5,776 51,156	5,776 51,776
Minority shareholders' intere	61,481 et 964	56,932 1,007	57,552 1,095
	62,445	57.939	58,647
Investments Listed - Market value - Excess over book value	279,881 e 212,471	315,744 254,489	251,624 193,597
- Book value	67,410	61,255	58,027

2,496 "Unaudited Number of shares in issue 23.103.608 23.103.608 23.103.608 Net assets (as valued) 1,217 1.362 per share - cents

order as those achieved in the first half.

1969. Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the company.

The register of members will be closed from 28 January to 3 February 1989 inclusive.

On behalf of the Board Directors BR van Rooyen (Chairman) DC Dykes

Registered and Head Office Gold Fields Building 75 Fox Street 2001

United Kingdom Limited

6 Greencoat Place London SW1P 1PL

A MEMBER OF THE GOLD FIELDS GROUP

GOLD FIELDS PROPERTY COMPANY LIMITED

(Incorporated in the Republic of South Africa) (Registration No. 01/01078/06) PRELIMINARY ANNOUNCEMENT OF RESULTS

	Year ended 31 December 1988	1987
	R*000	K.000
Turnover	17,543	26,498
Revenue income from rent and sale of property Surplus on realisation of investments	7,484	8,414
and mining title	613	948
Income from gold tributes, dumps, intere and other sources Income from investments	3,685 979	8,319 1,691
	12,762	20,372
Expenditure	2,647	4,048
Administration, property and general interest	2,601 46	4,019 29
Profit before tax	10,115 3,885	16,324 7,148
Profit after tax Unappropriated profit, brought forward	6,250 36	9,176 133
Less	6,256 6.181	9,309 9,273
Dividends declared:	3,681	4,908
Interim 16 c (12 c) Second Interim – (16 c) Final 20 c (20 c)	1,636 2,045	1,227 1,636 2,04S
Transfer to reserves	2,500	4,365
Unappropriated profit, carried forward	85	36
Earnings per share – cents Dividends per share – cents	36	48
Times dividends covered	1.7	1.9
Net assets (as valued) per share - cents	646	661

Annual Report
The annual report will be posted to members in March 1989.

DECLARATION OF FINAL DIVIDEND Dividend No. 132 of 20 cents per share in respect of the year ended 31 December 1988 has been declared in South African currency, payable to members registered at the close of business on 27 January 1989.

Warrants payable on 1 March 1989 will be posted on or about 28 February

1989. Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the company. Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the Company on or before 27 January 1989 in accordance with the above-mentioned contributes. The register of members will be closed from 28 January to 3 February 1989 inclusive.

By order of the Board, per pro CONSOLIDATED GOLD RELOS PLC.

London Secretaries, Mrs. G. M. A. Gledhid, Secretary. United Kingdom Registrar: Hill Samuel Registrars Limited, 6 Greencoat Place, London Office: 31 Chartes II Street, 6 Greencoal Place, London SWIP IPL St. Jamos's Square

11 January 1989 A MEMBER OF THE GOLD FIELDS GROUP

INTERIM REPOR	T FOR THE S DECEMBER		
CONSOLIDATE	D INCOME S	TATEMENT	
	ex months *		Year
	anded	ended	ended
211	December 31	December	30 June
	1988	1987	1988
-	R'000	R'000	B.000
REVISION Income from investments Surplus on realisation of	6,184	8,367	16,468
investments	1.574	2.828	4,038
interest and sundry revenue	51	43	125
	9,809	11,038	20,631
EPENDITURE	2,280	1,368	3,248
Administration	483	407	671
Exploration	1,517	734	2,003
Interest paid	280	227	374
PROFIT BEFORE TAX	7,529	9.670	17,383
Tax	55	a	22
PROFIT AFTER TAX	7,474	9,662	17,38t
Minority shareholders' interest	79	102	250
PROFIT ATTRIBUTABLE	7		
TO MEMBERS	7,395	9,560	17,111
*Linaudited '			
Earnings per share - cents	32	41	74
Dividends - per share - cents	15	15	45
- absorbing - R'000	3.466	3.466	10,397
- times covered	21	2.7	1.6
CONSOLIDAT	ED BALANC	ESHEET	
	*At	*At	At
31 6	ecember 31	December	30 June
	1968	1967	1988
18 400	R'000	R*000	R*000
to contract the		44 444	60 600

Unlisted - Book value

NOTES

NOTES

1 Dividend A dividend no 75 of 30 cents per share, absorbing R6,931,000, was declared in respect of the year ended 30 Juna 1988 on 9 August 1988 and paid on 28 September 1988.

2 Prospects On the basis that the Rand gold price received by the gold mines in which major investments are held is maintained at the average level prevailing during the first half of the current financial year, consolidated net earnings for the second half of this year are expected to be of the same could be a those achieved in the first half.

DECLARATION OF INTERNA DIVIDEND

Dividend no 76 of 15 cents per share has been declared in South African currency, payable to members registered at the close of business on Warrants payable on 1 March 1989 will be posted on or about 28 February

Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the Company on or before 27 January 1989 in accordance with the above-mentioned conditions.

11 January 1989

London Office 31 Charles II St St James's Square Landon SWIY 4AG

Registrar Hill Samuel Registrars

SPONSORED SECURITIES | Nign Low | Source | Company | Source 300 at 300 300 300 152 109 114 110 8.1 10.0 3.4 3.3 6.8 4.8 1.7 27.7 6.1 4.5 7.9 11.0 10.0 7.9 12.3 4.3 4.3 14.7 8.7 6.1 4.3 12.3 10.3 9.4 12.0 3.4 7.8

| 114 | 100 | Brenhill Conv. Pref | 110 | 287 | 246 | CLL Group Dellarar | 286 | 170 | 124 | CLL Group Dellarar | 286 | 170 | 124 | CLL Group Dellarar | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 33 29 127 7.1 4.0 2.0 36.8 2.8 13.3 0 10.7 10.7 -0 2.7 2.9 10.2 -1 8.0 7.5 0 22.0 6.2 9.4 0 16.2 4.6 68.3 urities designated (SE) and (USM) are deart in subject to the rules and regulations of The ck Exchange. Other securities itsized above are dealt in subject to the rules of TSA

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lat February 1989 systems and advertusement de Penny Scott on 01-248 8900 ext 3389 or write to her at: 10 Canpon Street EC4P 4BY **FINANCIAL TIMES**

INTERNATIONAL CAPITAL MARKETS

by the market, that Jaguar workers voted to reject their pay offer, barely affected senti-

ment. The main technical fac-tor underpinning the market is Friday's reverse auction.

Yesterday morning there was already some interest from market makers positioning

themselves in the auctionable stocks. The 10 per cent exchequer due 1989 is yielding 12.45 per cent, and the 11 per cent

WEST GERMAN bonds firmed by around 40 basis points yes-terday, helped by co-ordinated central bank intervention to

stem the dollar's rise, together with the results of the repur-

inflows matched outflows, which cheered a market pre-

pared for a modest draining of liquidity. Instead the Bundes-bank injected DM13.5 bn. The

fixed rate of 5 per cent, announced on Tuesday, was also seen as positive factor, as

dealers felt a variable rate would have entailed rather

chase allocation.

higher rates.

Price Change Yield ago

108-09 +3/32 10.71 10.83 92-06 +4/32 10.13 10.18 97-26 +5/32 8.24 9.33

07-25 +2/32 9.22 9.20 99-18 +2/32 9.04 9.07

Technical DataIATLAS Price Sources

8/96 98.9578 -0.129 4.76 4.78 3/07 109.1652 -0.214 4.76 4.70

10.250 12/98 89.8750 +0.375 10.27 10.25 10.05

12.500 1/96 98.3089 + 0.129 12.81 12.98 12.52

FLBATING RATE

ROTES

###

Average price change... On day 0.00 on week +0.07

+ Only one market maker supplied a price ght. Bonds: The yield is the yield to redenoption of the mid-price, amount issued is in millions of currency units except for Yes als where it is in billions. Change on week - Change over price a

week earlier.

loating Rate Notes: Denominated in dollars unless otherwise indicyted. Coupon shown is minimum. C.the = Date next coupon becomes
effective. Spread = Margin above six-month offered rate (othermonth) Sabove mean rate) for US dollars. C.cpn = The current

coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated.

City. day = Change on day. Ow date = First date of conversion into shares. Cor. price = Nominal amount of bond per share expressed recorrency of share at conversion rate fixed at Issue, Preco = Percentage premium of the correntaffective price of acquiring shares via the bond over the most recent price of the shares.

FLOATING RATE

CONVENTIBLE

CONVENTIBLE
BORDS
AIDDA 6 % 02 US.
AIDDA 6 % 03 E.
FUILSU 3 99 US.
Land Sect. 6 % 02 E.
MCA INC 5 % 02 US.
MInchta Curera 2 % 940 M.
MI studishi Bt. 1 % 02 US.
MINCH 5 W 02 US.
MINCH 5 W 02 US.
MINCH 6 W 03 E.
MINCH 1 W 02 US.
MINCH 1 W 02 US.
MINCH 1 W 02 US.
MINCH 1 W 03 US.

6.7500 10/98 100.4750 +0.050 6.76 6.70 6.83

8.750 8/98 100.7000 + 0.225 8.67 6.66

FRANCE BTAN 8.000 10/93 98.1401 +0.113 8.47 8.53 OAT 9.500 8/98 106.2500 +0.250 8.49 8.63

London closing, "denotes New York morning session Yields: Local market standard Prices: US, UK in 32nds., others in decimal

BENCHMARK GOVERNMENT BONDS

exchequer, 12.22 per cent.

Trading subdued ahead of Dutch buy \$7bn Treasury auction

By Janet Bush in New York and Katherine Campbell in London

US TREASURY bonds moved in a very narrow range yester-day with prices tending marginally weaker on the last day of the two week reserve period. At midsession, short-dated maturities were quoted around is point lower while longer-dated issues were mixed. The Treasury's benchmark long bond was quoted & point lower for a yield of 9.04 per cent.

Trading was particularly subdued during the morning as the market prepared for yesterday's \$7bn auction of seven-year bonds. The peak of the yield curve is currently around the seven year area which should, in theory, succurage demand However, with short-term

rates offering such a healthy return, the extra yield in the seven year area may not be worth the risk of the longer maturity, particularly as expec-tations are that interest rates will rise further in the next few It seems to have become

increasingly clear that the Fed has tightened policy since the New Year although bond analysts were yesterday waiting to see where the Fed funds rate opened today, the first day of the new statement period.

Money market analysts have reached a near consensus on the new Fed funds target which they now believe to be between 9 per cent and 9% per cent or even as high as 9% per

Yesterday, the Fed announced \$1.5m in customer repurchase agreements when Fed funds were trading at 94 per cent, consistent with a target range of 9 per cent and 9% per cent. However, by midses-sion, the funds rate had moved up to 9% per cent.

IN FRANCE, bond prices firmed as the franc continued

Average price change.... On day +01, on week -01,

Average price change... On day +0 on week -01

DEUTSCHE MARK
STRAIGHTS
Asias Dev. BK. 6.94
Avis Pia. SV5.5 § 92.
Bank of Tokyo 5½ 93.
Central BK. Torkey 7.92.
Commerciank oly. 5½ 93.
Deguss im. 6½ 97
E.I.E.5½ 98.

Japan Finance 5 % 97
Ireland 6 % 97.
Malaysia 6 % 94.
Nat. West BK. PLC 6 98.
N.H. L. Finance 6 % 95.
Nispon Teig. 6 Teid. 6 95.
Gesters. Korribs. 5 93.
Portugal 5 % 92.
Portugal 6 % 95.
Privatbanken 5 % 93.
Royal (escrance 5 % 92.
Sec Cert Nivelear 7 % 95.
Turkey 6 % 95.
Westlb. Finance 5 93.
Westlb. Finance 5 93.
Westlb. Finance 5 93.
Westlb. Finance 5 93.

to perform well against the D-Mark and call money also

eased.

During an active day on the Matif, where the notional 10 year futures clocked up 53,000 lots, the March contract ended at 108.54 after opening at 108.28.

The domestic institutions are heavily liquid as insurance premium coupon payments are at seasonal highs, and this fac-

GOVERNMENT BONDS

tor is said to be booeting demand. The spread between French and West German 10 year bonds.

THE UK government bond market passed another feature-less day despite the strength of sterling. Traders have for the time being bid farewell to last year's happy pattern of a stron-ger currency heralding lower interest rates.

The news, widely anticipated

8.875 9.000

FT INTERNATIONAL BOND SERVICE

JAPAN No 111 4.800 No 2 5.700

CANADA *

NETHERLANDS

stake in **Swedish** exchange

By Sara Webb in Stockholm

THE EUROPEAN Options Exchange (EOE) in Amsterdam Exchange (EOE) in Amsterdam has acquired a 40 per cent stake in Sweden's Options and Futures Exchange (SOFE). The two exchanges will be linked to allow trading of each other's instruments.

SOFE hopes the move will revive interest in the Swedish options market which has

options market which has flagged following the introduc-tion of a turnover tax on options with effect from the start of 1989. The Swedish exchange said the deal would open the door to direct elec-tronic trading with about 100 market makers in the Nether-lands.

EOE acquired its 40 per cent stake from Beijer Capital, part of the Swedish Beijer group, for an undisclosed sum. Beijer Capital is retaining a 10 per cent stake in SOFR, whose other main sbarebolders include Swedish banks, bro-kerage houses, pension funds and the insurance group Skan-

Last month, Sweden's central bank gave permission for foreign banks and security bouses to trade directly through SOFE without having to use Swedish banks and brokerages and intermediaries. This means that foreign investors are exempted from paying the turnover tax and do not need to pay commissions to Swedisb intermediaries, thereby redncing trading

Both SOFE and OM, which is the larger of Sweden's two options markets with about 80 per cent of the market, were strongly against the new options tax which threatened to hit market makers.

Arbitech, the largest market maker in Sweden, has with-drawn from the market and Servisen, another market maker which is owned by Bei-jer Capital, has decreased its activities in the market. Both | Closing prices on January 11 | Change to | Samuary 11 | Samuary 12 | Samuary 13 | Sa companies are looking at the possibility of moving offshore so that they can avoid the

turnover tax.

Beijar Capital bought a stake in SOFE at the end of 1987 when the exchange faced difficulties, having started up after OM's runaway success. SOFE said it broke even in

1988, adding that turnover in index option premiums reached SKribn, while turn-### Asternage price change. On day 40 pa week -01;

STRAIGHTS
Alder STRAIG over in Index futures was SKr3.5bn. It pulled out of trad-ing in equity options, but is considering restarting these if there is sufficient demand from overseas.

According to current foreign exchange restrictions, Swedish investors would not be allowed to bny foreign options, but SOFE said that the govern-ment's promise to dismantle controls in future would open the way for buying currency, gold and silver options on the EOE.

TDB American Express takes on extra staff

By William Dullforce in Geneva

TDB AMERICAN Express Bank, the US group's Swiss subsidiary, has been recruiting senior staff from competitors for a new asset management team which, it hopes, will introduce advanced portfolio management methods and belp to expand its private banking operations worldwide. Mr Robert Race, formerly a director of J. Rothschild Holdings, London, was recruited in December while Mr Michel Lagiar, deputy head of research at Lloyds Bank Inter-national Private Banking oined this month. Tha third new member of the team is Mr Jürg Sigerist, formerly chief financial editor of the Swiss monthly business

magazine Bilanz.
Heading the group is Mr Gian-Paul Stoffel, the deputy general manager who was recruited a year ago from Citi-

recruited a year ago from Citi-bank, Geneva.
Client holdings have grown from \$7.2bn in 1984, the year after American Express Bank bought the Trade Development Bank from Mr Edmond Safra, to \$14.2bn today.

However, tha majority of these holdings are in money market accounts and the aim is to increase the money under advisory and discretionary

management.
Mr Sigerist said that to achieve this, "we first had to create the product which is why we needed a new asset allocation team."

A "portfolio optimalisation method" with software has been bought from Mr Jacques Bopp, a former analyst with Swiss Bank Corporation, who has set up his own company and sold his system to the big West German banks.

TDB American Express is Switzerland's biggest foreign-owned bank with total assets of SFr8.7bn (\$5.8bn) at the end

INTERNATIONAL CAPITAL MARKETS

points had narrowed to around

53 basis points.
Salomon Brothers launched
a \$100m issue for PK Banken of

5-year 10 per cent bonds calla-hle at par on February 10 1992.

The syndicate for the deal was

small, reflecting the fact that the issue was aimed

specifically at buyers in Tokyo.

The bonds were launched to yield 53 basis points over 5-year Treasuries and traded at less 1% bid, less 1% offered, just on fees of 1%. The issue was immediately swapped into floating-rate dollars.

Among a sea of straight issues, Daiwa Europe's \$150m deal for the Sumitomo For-

estry Company came with equity warrants exercisable from February 22 this year until February 2 1993. The bonds, which carry an

indicated conpon of 4% per cent, mature on February 9

The lead manager reported good interest from institutions

and the closing price of 103% was well above the par open-

ing. Terms will be set on January 18. The proceeds were said

to have been swapped into yen

by Japanese banks. The day's largest Canadian dollar issue was C\$100m 5-year

bond for the Caisse Centrale
Desjardins dn Quebec. The
lead manager, Credit Suisse
First Boston, reported good
demand in Belgium and
France, attracted by

the generous 11.125 per cent

coupon.
This was not enough, how-

ever, to overcome the sudden shifting of the market's focus

away from the sector, and at

the close the issue was trading at less 2 bid, outside fees of 1%

The Britannia Building Soci-

ety came to the market with a £125m floating rate note. The

bonds, lead managed by Ham-bros Bank, mature in February 1995 and will yield 10 basis

points over 3-month Libor. London institutions were steady buyers and the closing price of 99.86 hid was well within total fees.

In Switzerland yesterday, the

major domestic hanks raised

their rate on three to 12-month customer time deposits by %

official interest rates might also be about to rise. Recent new issues in the grey market

There was speculation that

per cent to 4%.

A RASH of swap-related US dollar deals emerged yesterday to exploit improved interest rate swap opportunities and keen Japanese buying

However, the shine came off the Canadian dollar sector where the demand for paper has been temporarily satisfied by heavy new issue business so

far this year.
The majority of yesterday's US dollar paper was clearly tai-lored for Japanese investors, carrying high conpons and maturities in the three-to-five year range.

Credit Suisse First Boston came to the market with the day's first dollar deal, a \$200m issue for Scandinavian Airlines System which quickly

The bonds, described by one syndicator as ganerously priced, were broadly distributed. They mature on February 27 1999, carry a coupon of 10 per cent and were priced at launch to yield 65 basis points over comparable US Trea-

By the close, the yield had

BOTTOWER US DOLLARS

Nippon Credit(Curacao) → SAS →

Mitsubishi Tst Fln(Asla)♦ Banco di Roma (London)♦

Designations du Quebec.

Export Development Corp.

Bk fuer Handel und Ind.

Sumitomo Forestry Co.4

Final terms fixed on: Sumitomo Bank(d)§

CANADIAN DOLLARS

AUSTRALIAN DOLLARS

Exxon Capital Corp.
Soc.Generals Australia

NEW ZEALAND DOLLARS

ABN Australia

BP America Inc.

Britannia B.Soc.(e)+

Sumitomo Bank(a)§

Sumitomo Bank(b)**
Sumitomo Bank(b)**
Hiroshima Bank(c)**

Council of Europe

SWISS FRANCS

STERLING

D-MARKS

PESETAS

narrowed to 59 basis points. reflecting good demand from Japanese and some European institutions.

The closing quotation of less 1.60 bid, less 1.50 offered was well within total fees of 2 per cent. The proceeds of the issue were said to have swapped into several other currencies.

By contrast, most of the

other deals appeared to have been designed with advantageous swaps into floating rate dollars in mind. A \$200m 4-year bond for Nippon Credit Bank Curacao was brought to mar-ket by Nippon Credit Interna-

The issue was described by the lead manager as largely sold to institutions, particu-larly those already holding

apenese bank paper. There was some switching as investors seeking liquidity chased the bonds, which were launched at 101.45 per cent to yield 43 basis points over US Treasuries. They traded at less 1.45 bid, less 1.25 offered, well within total fees of 1%. The proceeds were swapped into floating-rate dollars.

NEW INTERNATIONAL BOND ISSUES

101 % 101 % 101 % 101 %

100

1013 50.52 1013

101,15 101 % 101 %

101 %

100

100

100

10112

ΦWith equity warrants. §Convertible. ‡Floating rate notes. ♦Final terms. a) Coupon indicated at 2¾ %, b) Put option fixed 30/9/91 at 107 to yield 3.04%, c) Put option fixed 31/3/91 at 105.675 to yield 3.05%, d) Coupon indicated at 3¼ %, e) 10bp over 3-month Libor.

FT-ACTUARIES SHARE INDICES

2004

1994

1994

1994

10 kg 10 10 (45)

312

11¹2 Zero 10¹2

14

10bp

534

25

1138

300

12¹25m

Morgan Stanley International announced a \$100m fiveyear issue for Banco di Roma (London) which was priced at 101.75 to yield 52 basis points

over Treasuries. Demand was said to be mainly from Europe, although late Far Eastern interest was reported. Again, floating-rats dollars were wanted by the borrower, and the swap was said to have been done by Barclays Bank.

A variation on the thems was provided by two callable deals. Bankers Trust Interna-tional was the bookrunner to a 7-year \$100m bond for Mitsubi-shi Trust Finance (Asia) which is callable at par in February 1993. The issue went well and was increased to \$120m late in

The generous conpon of 10.125 per cent reflected the call option and attracted good demand in the Far East. At the close, the bonds were quoted at less 1% bid, less 1% offered, well within total fees of 1% per

The opening spread over 7-year Treasury bills of 58 basis

15/11/2 Nippon Credit Int.

Bankers Trust Int. Morgan Stanley Salomen Brothers

212/112 Sumitomo Finance Int.

13/14 CSFB 14/4 Wood Gundy 13/14 Dresdner Bank Int.

1/5g Selemon Brothers 14/3 Societe Generale 2/14 ABN

2/134 Hambros Bank

18/8bp Hambros Bank

234/13s Dresdner Bank

1994 17/14 Bankers Trust S'los Fin.

Industriekreditbank

Banca del Gottardo UBS

Japanese aid swap-related \$ issues | Debt reduction: the coming game

Stephen Fidler on the latest fashionable cure for the LDC crisis

Conciliatory debt reduction: Partial default, but offered with an apologetic smile. Very much the coming game

his tongue-in-cheek defi-nition – contained in a pamphlet* written by Mr Mike Faber, professorial fel-low of the Institute of Davelopment Studies at the University of Sussex - of a fashionable phrase among those involved in the Third World debt debate underlines the suspicion with which voluntary debt reduc-

which voluntary debt reduction is viewed.

Novertheless, debt reduction, implying the voluntary participation of banks in easing the burden of debtors, is undonbtedly being taken very seriously. The World Bank last month declared that debt reduction techniques "offer the potential of significant prog-ress in dealing with the debt overhang in highly-indebted

countries."
Mr William Rhodee, the chairman of Citicorp's restructpring committee and probably the most prominent commer-cial banker in debt negotiations, says that voluntary debt reduction by banks - which he believes can run hand in hand with new loans - is the central pillar of a new phase of the debt crisis.

In a statement last week to a congressional committee in Washington, he cited several countries that had benefitted from significant debt reduc-

 Chile has cut external debt by 28 per cent through conver-sions and a debt buy-back. Brazil reduced its debt by
 \$60n in 1988, according to official announcements, and drew down a further \$4bn in new loans from banks. (Unofficial estimates suggest \$8bn in debt was retired in 1988 through debt reduction.)

 Mexico has retired more than \$5bn of public sector debt, and an estimated \$10bn to \$15bn of private sector debt. (Much of Citibank's significant reduction in developing country exposure over the past 18 months is said to be due to its reducing its outstanding loans to Mexican private sector bor-

rowers.) The benefits have, however,

been localised. Economists at Morgan Guaranty estimate that cumulative debt reduction since 1982 amounts to about \$27bn, 11 per cent of the long-term bank debt of the 15 main problem debtors and a small fraction of their overall debt, although the pace has increased in the last three

If debt reduction is to play a more important role in resolv-ing the debt crisis, it is widely assumed that there will have to be support from creditor countries — clearing up accounting, taxation and regu-latory obstacles to debt reduc-tion by banks for example — as well as from dabtors. The Fur-thermore, multilateral lenders such as the World Bank and official bilateral lenders may also have to countenance debt reduction, it is suggested.

Debt reduction encompasses a variety of techniques:corporate restructurings, buy-backs in the market of debt, debt-for equity swaps and debt-for-debt swaps, in which loans are swapped by banks for bonds or other higher quality obliga-

Certain types of debt conversion are more controversial than others. Deht-to-equity swaps, for example, meet oppo-sition not only from nationalsts in Latin America but also from some academics. Academic arguments centra on what is called additionality the extent to which the conver-sions provide investment that would not otherwise taks

A recent report by the International Finance Corporation - the World Bank'e affiliate to channel funds to the private sector - concluded that nearly every investment made by banks in four Latin American countries would not have taken place in the absence of debt-equity swaps. In the case of non-financial institutions, this proportion fell to about a

However, even if additionality is established, such programmes can have significant costs. They are often, though not invariably, inflationary and introduce distortions into pricing and exchange rate mechanisms. Such programmes, for example, intro-duce a two-tier exchange rate, which the International Monetary Fund, for example, has in the past strongly opposed.

in Brazil, informal debt conin Brazil, informal debt conversions last year encouraged "round tripping" in which debt converters gain the benefit of a special rate to convert the debt into cruzados, which are then reconverted into dollars through the parallel market. This widened the gap between official and unofficial exchange rates, increasing inflationary rates, increasing inflationary

expectations.

Many debt swaps involve monetary creation. The extent to which debt conversions of a few hundred million dollars a month are material in an econ-omy such as Brazil'e, where inflation is running at 800 per cent or more is debatable. But there is an argument suggesting that, because the monetary base in such economies is small, the inflationary impact of debt conversions is unusu-

ally high.

Nevertheless, the country with the most active debt-equity programme is also enjoying the lowest rate of inflation on the continent. In Chile, conversions equivalent to a quarter both of annual GDP and of its external debt now at \$20bn, have taken place without apparently encouraging inflation.

Ing inflation.

However, Chile, more than other countries, has used debt-equity swaps to privatise state-owned enterprises, the public ownership of many of which was ironically forced on the Government by the barre carlier in the debt crisis. earlier in the debt crisis. Here, monetary creation is matched by a transfer of assets from the public to the private sector and is thus not inflationary.

Chile has led the way in another sense: its auction sys-tem is also seen as likely to be copied because it achieves two objectives — it allows for the easy rationing of debt-equity swaps and solves the problem of where to set the discounts by providing a market-set price which yields the greatest benefit to the discounts. fit to the debtor.

This suggests that where there is scope for privatisation and there is obviously room for more of that in countries such as Mexico - there is most scope for non-inflationary

debt equity swaps.

Mr John Williamson of the Institute for International Economics told a conference in London last month that because of inflation worries that 'in the future I would expect debtors, supported by the International Monetary

Fund, to be more cautious and seek to limit the volume of debt-equity swaps to a level that the economy can afford.

His prediction is that
debt-equity will be replaced in
importance partly by debt buybacks — the direct purchases of loans in the secondary man-ket. In March, Bolivia bought back almost half of its bank debt at about 11 cents on the dollar. Buybacks allow the debt are control of the discount on the debt and to make a continuing choice as

increase imports or reserves.

Chile has also bought back some of its own debt, but benkers say that exercise may not be repeated because it was con-troversial domestically. How-ever, when looked at from the point of view of rates of return on a country's reserves, debt buybacks can be most attrac-

to whether to amortise debt or

such buybacks require, how-ever, a healthy level of foreign reserves, something which many heavily-indebted coun-tries cannot boast. Because of this, Mr Williamson and others reckon that debt-for-debt swaps are likely to be the only way of accelerating debt reduction techniques into the future. However, the three main precedents have not been outstand-ing — neither the Mexican. "Artec" bonds nor "exit" bonds for Argentina or Brazil have been runaway successes.
The problem has been essen-

tially that bankers expect to get something more - either greater security, a speedier repayment or a more attractive investment - from their liqui-dation of loans at a discount merely than more sovereign

That can be done by collater alisation, subordination or by guarantees. Since collateralies tion eats up reserves, subordi-nation of existing debt usually requires unanimous agree from bank creditors, the best bet seem to be guarantees, which so far have not been

forthcoming.

This probably will change, it seems likely that guarantees or credit enhancements from agencies such as the World Bank or from developed countries will play an increased role in future debt-for debt swaps. Beware of Debispeak, IDS Publications, The Institute of Development Studies at the Uni-versity of Sussex, Brighton BN1 9RE. Price E3, \$5, DM10.

for foreign bonds traded qui-etly, easing around 1/2 in thin volumes.

	EQUITY GROUPS	W	ednesi	lay Jai	Tue Jan 10	Mon Jan	Fri Jas 6	Year age (approx)			
Flg	& SUB-SECTIONS Tures in parentheses show number of stocks per section	index No.	Day's Change	Est. Earnings Yield% (Max.)	Gross Oiv. Yield% (Act at (25%)	Est. P/E Ratio Oleti	nd adj. 1989 to date	Index No.	hadex No.	Index No.	Index No.
	CAPITAL 6000\$ (209)		+6.1	11.56	4.49	14.61	1.00	808.75	804.94	794.03	722.5
2	Building Materials (28)	762.44	+1.3	12.96	4.63	9.49	0.00	969.70	968.34	958.54	963.5
3	Contracting, Construction (39)	1529.78	+1.0	12.96	3.99	19.66	6.90	1515.23	1502.41	1492.34	1397.6
4	Electricals (10)	2379.69	*******	9.09	4.74	13.26	0.00	2377.68			1995.6
5	Electronics (30)	1874.04	-1.0	9.98	3.47	12.96	0.00	1896.57	1909.Al	1844.62	
6	Mechanical Engineering (55)	425.01	+6.1	11-21	4.41	10.86	6.60	424.67	421.74	415.20	376.2
8	Metals and Metal Forming (/)	765 67	-0.1	16.66	4.99	9.40	0.09	464.72	463.29	461.35	4514
ó	Afotors (17) Other Industrial Materials (23)	1372 20	+0.3	10.01	4.59	11.84	0.00	254.72	265.73 1353.52	263.71 1336.85	261.4
ĭ	CONSILMED CRAILD (187)	1042 54	-0.A	9.91	4.01	12.65	0.09	1357.33		1834.52	
5	CONSUMER GROUP (187)	1136 10	-0.4	11.21	3,93	11.14	0.04	1135.71		1136.95	964.
5	Food Manufacturing (21)	947.02	-0.9	9.76	4.07	12.85	8.09	755.20	945.48	942.84	273
6	Food Manufacturing (21)	1811.45	-0.9	9.90	3.84	13.30	0.00	1827.71	1830.30	1867.76	
7	Health and Household (13) Leisure (32)	1849.71	-4.6	7.25	2.93	15.80	6.00	1860.31	1846,42	1826.62	
9	Lelsure (32)	1373.82	*****	8.52	3.68	14.98	6.60	1373.96	1369.56		
1	Packaging & Pager (17)	539.40	+0.4	10.34	4.18	12.62	0.09	537.49	540,73	536.38	499.5
2	Publishing & Printing (19)	3339.51	+6.5	9.15	4.60	13.67	6.66	331L66		3275.75	
4	Stores (34)	695.81	-0.8	12.17	4.95	10.60	0.60	701.56	698.74	690.68	
2	Textiles (15)	474.80	-1.3	14.56	5.97	8.23	0.60	476.36	441.53	476.44	
Ÿ	UTHER GROUPS (YL)	1000 47	+6.1	11.18	4.67	14.98	9.00	921.65	926.84	918.15	451.7
	OTHER GROUPS (91) Agencies (18) Chemicals (22)	1072.47	+0.2	11.99	2.69 4.93	14.39 10.05	0.00	1096.48	1082.65	1864.78	
ž	Condomerates (12)	1972.33	-0.9	10.56	5.63	11.13	0.00	1074.19	1067.45 1294.48	1055.46 1261.05	1140.4
5	Conglomerates (12)	1986.27	-0.1	10.43	4.37	12.53	8.60		1934.76	1878.00	
7	Telephone Networks (2)	1034.31	+1.2	11.34	4.54	11.45	0.00	1121.74		1011.26	
8	Telephone Networks (2)	1200.90	+0.2	11.98	4.57	9.49	0.80	1208.06		1188.82	
õ	INDUSTRIAL GROUP (487)	965.31	-0.1	10.72	4.30	11.55	0.00	966.29	963.97	953.27	965.3
	Oil & Gas (13)		+8.2	10.48	6.31	12.20	6.08			1736.90	
9	588 SHARE INDEX (500)	1632.87	-4.1	18.68	4.57	11.63				1219.29	
7	FINANCIAL GROUP (127)	685,47	+0.3	-	5.18		0.00	643.69	681.49	677.75	644.6
2	Banks (8)	679.14	+8.2	20.87	6.39	6.42	9.90	678.67	679.31	647.13	653.4
5	Insurance (Life) (8)	955.57	+1.0	~	5.65		0.00	945.69	943,72	937.34	941.3
6	Insurance (Composite) (7)	532.14	*******		5.87	- 1	0.80	532.02	531.11	534.73	583.4
7	Insurance (Brokers) (7)	753.22	+4.1	9.19	6.82	13.60	0.00	951.95	953.16	943.78	906.4
8	Merchant Banks (11)	324.60	+0.2	I =	4.62		9.00	323.94	323.78	377.22	351.5
7	Property (54)	244 04	+0.2	5.80	2.75	22.06	0.00	1221.09	1224.23	1212.22	976.3
익	Other Financial (32)	240.04	+0.4	10.11	5.78	12.34	0.00	344,68	346.18	345.63	394.4
ļ	Investment Trusts (76)	574.69	-0.3 -0.5	10.60	3.20		6.00	950,40	945.55	932.73	\$13.6
i	Investment Trusts (76)	1292 15	-0.5	9.67	3.43 4.90	10.51 12.79	0.00	579.93	588.19 1301.62	572.07	988.7
à	ALL-SHARE INDEX (713)	947.38		7.07	4.61	12./9	0.00	1294.88		1271.82	
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UK COMPANY NEWS

Body Shop pleases City with 56% rise to £9.34m

BODY SHOP International, natural beauty products chain, yesterday lived up to its image as one of the UK's most successful retailers when it announced a 56 per cent rise in pre-tax profits to £9.34m (£6m) for the 12-month period to Sep-

tember 30.
Earnings per share increased by 44 per cent to 13.42p (9.29p). As this year-end has been changed to Feburary 28, a second interim dividend of 1.35p was declared, making 2.25p (1.5p) for the 12 month region. (1.5p) for the 12-month period. The results were better than expected and the share price rose 11p to 520p. Christmas trading proved

very strong and, in contrast to other retailers, the company consumer spending, according In the US, the three shops to Mr Gordon Roddick, chair opened in the past year

SOCK SHOP International, the niche retailer whose shares

have been quoted on the USM

since May 1987, yesterday reported a 43 per cent gain in pre-tax profits to £2.62m in the

12-month period to the end of September. The group is changing its year-end to Febru-

Earnings per 5p share rose 36 per cent to 7.55p and a sec-ond interim dividend of 1p

makes the total for the trading period so far of 2p. Last year only one dividend, of 0.8p, was

Turnover was up by 84 per cent to £25.8m and operating

profits by 53 per cent to £2.52m. However, the City had hoped for an even greater increase

and the shares fell 8p to 160p

hy the close. Sales were up by 10 per cent in volume terms in comparable

stores during the 12 months with prices little changed, the

group said. During the period the number of shops in the UK

as Bassett

weighs full

By Lisa Wood

bid proposal

facturer, was yesterday considering a full bid proposal from a shareholder which has at least a 5 per cent stake.

News of the approach and the stake — which must be notified to the Stock Exchange within five working days of it reaching 5 per cent — sent Bassett's share price soaring to 400 per chara up 101 per character
to 400p per share, up 101p, valuing the confectionery com-pany at just under £63m.

pany at just under 263m.

Bassett, which commands about 11 per cent of the UK sugar confectionery market, would give no details as to the identity of the shareholder which recently revealed its stake at a meeting set up to discuss a joint venture between the two companies.

City analysis suggested that possible suitors for the batters, which is successfully emerging from large-scale

emerging from large-scale

Yearlings

By Maggie Urry

Turnover increased by 62 per cent to £46.2m (£28.48m). After stripping out the effects of refits and relocations, organic growth occured at a minimum

BODY SHOP

successful operations were in Canada, West Germany, Sweden and Australia.

The number of UK outlets increased from 89 to 107 and

overseas outlets from 186 to 232. In the current year, 80 new stores are expected to be opened overseas and a mini-mum of 20 stores in the UK.

was expanded from 52 to 81 and another 15 have opened

The group also moved over-seas opening 10 shops in New York in the period and seven since, and, in September, three in Paris. With one each in

Brussels and Dublin there are

The costs of the expansion and losses in the US, amounting to £150,000; had held back group net margins, Mr Richard Ross, joint managing director, said. But gross margins were retire, portfullerly in the UK

rising, particularly in the UK, largely because of the increase

in own-brand products, which now account for more than 90

Since the end of September like-for-like sales growth had slowed to around 0.5 per cent,

Shares soar | Tootal confirms plans to

By Alice Rawsthorn

ner cent of sales.

now 118 shops in total.

exceeded expectations. Body Shop plans to open 10 more company-owned shops this year and expects to launch a mail-order catalogue in the

summer. Capital spending last year Capital spending last year increased by 50 per cent to 24.6m and is expected to increase this year by a further 50 per cent. Body Shop has increased its warehousing and office space in the US. In the UK, its new warehouse in Littlehander. tlehampton, Sussex, is expec-ted to be completed in August.

The company plans to increase the proportion of products that it manufactures itself from about a quarter to about a half over the next three years. In the US, it plans to have entirely self-sufficient production within that time.

Sock Shop up 43% to £2.62m

Mr Ross said, in part because the mild weather had held back sales of warm tights. gloves and scarves. He said it was difficult to quantify how much of the slowdown was due to the squeeze on consumer spending. As the most expen-sive item in the shops is priced at £9.99 he hoped that the

group would not be severely affected. Mr Ross said there were benefits from the current difficul-ties in the retail sector. It was becoming easier to get new sites for shops without having to pay "key money" which had been costing the group £2m a

He said the directors also felt under less pressure to "buy" profits, and had "a chance to breathe and to rein back finan-cially". The group is looking at ways to broaden its appeal to attract older customers as the average age of the population

La Seigneurie, based in Bobigny, north of Paris, was founded in the late 1880s and acquired by Elf in stages from

La Selgneurie said it planned to expand the Johnstone's business. Mr James Johnstone will remain as man aging director. Mr Michel Bleitrach of La Seigneurie will be appointed non executive chair-

Hestair sells vehicle arm to management By Clare Pearson

division for an expected con-sideration of £25.75m.

lits trading profits are expec-ted to rise by about £1m to £3.7m in the year to end-Jann-ary on sales of £75m (£64.7m). Mr David Hargreaves, Res-tair chairman, said that the

Mr Hargreaves said that acquisitions might be pursued in either of the two remaining Hestair businesses - person-nel services or consumer prod-

In the latter case, he saw opportunities to develop the giftware and stationery inter-ests. Hestair added to the nurseryware business in November with the £2.3m acquisition

Irish Continental

Irish Continental Group, ferry

Elf offshoot in offer for Johnstone's **Paints**

I.A SEIGNEURIE, part of Elf Aquitaine, the French govern-ment-controlled oil company, has made a £24.15m recom-mended offer for Johnstone's Paints, the USM-quoted deco-

raints, the oxiniquotest seem raints paints manufacturer.

The offer values each Johnstone's Paints ordinary share at 230p, a premium of 100 per cent on the 115p average martest the the Tipp average market price on December 9, the last dealing day before Johnstone announced that it had received an approach that might lead to a bid. The shares closed 14p up last night at 220p.

220p.

The move is a further sign both of the severe rationalisation in the paint industry and that companies are increas-ingly jockeying for position prior to 1992.

prior to 1992.

There were more than 2,000 paint companies in Europe in the early 1970s, double today's total. The past five years has seen a particularly dramatic reduction, as more and more of the smaller companies bave been swallowed by their big competitors. At the same time, the industry has seen the the industry has seen the growth of the large do-it-your-self chains with their highly

competitive prices.

Johnstone's, minth in the league of UK decorative paint manufacturers, is run by four brothers, the fourth generation from the Johnstone who tion from the Joinstone who founded the company in 1890. Based in Manchester, the company has 20 depots throughout the UK. It joined the Unlisted Securities Market in 1981.

The group suffered a sharp downtum in profits in 1987, falling from \$2.05m to \$1.81m for the year to November 28 1987. However Johnstone's

1987. However Johnstone's directors estimate that for the 53 weeks ended December 3 1988, the company achieved a pre-tax profit of not less than

1971 to 1983. The company makes and distributes decora-tive and architectural paints and waterproofing systems, and has for 30 years provided the paint for the Riffel Tower's seven-yearly repaint. La Seig-neurie employs 750 people in France and 450 overseas. It acquired a Californian com-

Hestair, the diversified group with interests ranging from children's toys to employment agencies, is narrowing the scope of its activities with the sale of the vehicle engineering

The division, which makes dustbin iorries, fire engines and luxury coaches, is being sold to its management for a cash price of £18.75m, plus about £7m worth of debt.

return on capital employed, expected to amount to £24.6m in the current year, was less than half that achieved in the other divisions. Proceeds from the sale are expected to be used for acquisitions. The engineering division

was restructured early in 1985 after suffering a turbulent period in the early 1980s, particularly in the UK, when its markets were affected by lower local authority spending and bus deregulation. In the year to January 31 1985, operating profits dropped from £1.62m to £276,000.

of Cindico, maker of high chairs and baby walkers.

operator, reports higher profits for the year ended October 30 1988 and is confident that progress will be maintained. Pre-tax profit was no from from £586,000 to £823,000. The dividend is 1.6759p.

Still room for the competition

Christopher Parkes on clearance of the Thomson/Horizon merger

PPONENTS of Thom-son Travel's acquisition of Horizon, the deal cleared by the Monopolies and Mergers Commission yester-day, appear to have a highly fanciful notion of the relation-ship between size and muscle-power in the package holiday business. AIRLINE SHARES OF CHARTER AND LEISURE TRAFFIC 1987 British Airways Britannia (Thom Dan-Air It was an open secret in the trade, Redwing Holidays told the commission in evidence, that Thomson had been work-Air Europe Orien (Horizon Other ing on a five-year plan follow-ing the collapse of the package tour market in 1985, totally to

From 3.9 per cent in 1983, margins of the top 30 tour operators alumped to a deficit of 0.9 per cent in 1987, representing a joint net loss of £25m.

According to Mr Roger Davies, chairman and chief

the largest chain of travel agents in the business. However, these factors alone do not make a muscular giant capable of squeezing the life out of the competition. In fact, according to other evidence, it seems that the more inflated the lawrencement than ecutive of Thomson, Horizon lost £14m last year, more than double the £6.8m deficit in the last reported year before the takeover. "Given Horizon's recent poor financial performance, we do the larger groups become, the

not believe that the merger increases Thomson's ability or its incentive to behave in the predatory manner feared by some of its competitors," the report concluded. Even if the company did

turn on the pressure, which it could do from its pre-merger position, the authors doubted it would succeed.

The report detailed recent swings in the market which illustrate the effects of intense competition coupled with a competition counter with a lack of brand loyalty among consumers, who can be tempted away by price differ-ences of as little as £10 per

In 1986, when Thomson reduced prices by 15 per cent, its market share rose from 17 to 25 per cent. But the following year, when it tried more of

the same and the competition followed suit, it lost two share points. It lost a further 10 points in the pre-Christmas booking period last year when it stepped out of lins and increased prices by more than By beloing to bring foreign holidays within the budgets of

more people, price competition has significantly expanded the package tour market. From 8.6m in 1985, the number of charter air holidays licensed by the CAA increased to 14.6m last year. This has attracted new eutrants to the industry. At the same time, market seg-mentation — increasing demand for products outside the mass market which is affecting all consumer indus-tries – has encouraged small specialists.

Mr Davies, meanwhile, is concentrating on squeezing what economies be can out of his expanded business. On the plus side he now has a full brand range covering the entire mass market. Horizon and its Wings and OSL subsidiaries cover the top end. Thomson fills the middle portion and

Sky Tours the bottom slot. While there are economies to be made by merging Horizon's Orion fleet of 10 aircraft with

Tour operators holiday market Redwing

the 33 in Thomson's Britannis line, linking retail and head office booking systems for packages, beds and aircraft seats, real inroads into the mounting losses at Horizon are likely to come only from improved marketing and mar-

Part of Horizon's failure, Mr Davies said, was due to its attempts to move down-market where the competition was hottest. His first job was to reposi-tion it at the premium end of the trade, reduce overheads and return it to profit by 1990. At the same time, in com-mou with the rest of the industry, he has to confront this year's task of persuading cau-tious consumers that a pack-age holiday in the sun is the perfect antidote to mortgage rate blues. If, as some industry observers suggest, package price-cutting blights this year's trade, Mr Davies may have to wait a little longer for Horizon to return to health. On the bright side, his fear-

ful competitors can also look forward to an extended period of grace before the markst leader puts Operation Market Dominance into practice.

Assoc Newspapers meets forecast

ASSOCIATED Newspapers, publisher of the Daily Mail, the Mail on Sunday, and London's Mail on Sunday, and London's Evening Standard, announced pre-tax profits, after exceptional costs, of 536.8m for the year to end-September, writes Nikki Tait. This compares with £56.9m in the previous year and is in line with the forecast made in the formal offer down made in the formal offer docu-

dominate the UK trade.

The plan was to create the biggest charter airlins in the country, a power base in popular mass market hotels, and

more newcomers enter to try

As the MMC report pointed out, the number of tour opera-tors licensed by the Civil Avia-

tion Authority increased from 473 to 703 in the past 10 years. Barriers to entry into the industry were low, it said, and hotel rooms and aircraft seats

were generally readily avail-

The number of travel agents

on the Association of British Travel Agents register rose from 1,950 to 2,806 between 1980 and the end of 1986.

Consumer choice has proliferated. Compstition has resulted in significant price

reductions in real terms over

the last four to five years, and the corollary has been a sharp

drop in the industry's net profit margins,

ments from Daily Mail and General Trust last October. Profit bafore exceptional bonds and the write back of costs rose to £71m (£59m). However, these rose from 22.1m to £34.2m. Associated said redundancy and development costs amounted to \$42.1m, offset by £7.9m of profits from the sale of invest-

ments, redemption of Euro-

costs on the Ravenspurn North Gas Field. Earnings per share were 17.6p (29.8p).

The newspaper division saw trading profits rise from £46.5m to £61.6m. Associated was subject to an agreed £1.02bn offer from Daily Mail and General last year, therefore a final dividend is not measuremented.

M&G Dual Trust

M&G Dual Trust, split level investment trust, increased the asset value of its 10p capital shares from 1,745.79p to 1,898.48p in the year to September 30 1988. Gross revenue showed an

advanced from £2.98m to £3.47m.

The final dividend is raised to 25p (20.25p) to make 45.2p (37.8p) for the year.

WE'RE MORE THAN JUST HIGH FLYERS

In the year ending 30th September 1988, our profits before tax soured by 72% to £17.323 million. Our earnings per share rose by 60%. But the most impressive figure of all is the increase in our net assets: up 64% to 398p. In today's market, a solid investment strategy is as important as buying and selling. What truly sets Speyhawk apart is our commitment to high architectural standards which attracts important partners and lays the foundation of long term financial success. Speyhawk's pursuit of varied and substantial projects has resulted in the development of a major urban regeneration scheme at Old Isleworth, a top specification office block at Shaftesbury Avenue, the development of a 420,000 sq. ft. shopping centre at Hastings, a 103,000 sq. ft. office building at Bracknell and a 200 acre business park near Reading. Our increased commitment to the development and retention of outstanding commercial property will build our net assets. Meanwhile we will continue to trade and generate increasing profits. The advantage to investors will be a stronger share. For more information, ring Richard Burgess, Group Finance Director on 01 - 499 6060.

> SPEYHAWK PUBLIC LIMITED COMPANY 1, James Street, London W1M 5HY Fax: 01 · 495 1413

mounted an unsuccessful bid for the UK group three years ago, has amassed a significant shareholding. Tootal presently holds about 25m shares in Da Gama, or 49.8 per cent of the South African to sell some of its shares, at

TOOTAL, one of the largest talised at about Rand 350m firmed that it is negotiating to sell-part of its holding in Da. South African textile industry.

South African textile industry.

South African textile industry.

period of restructuring in Senegal, the Ivory Coast, which some of the larger companies have absorbed smaller

Tootal, one of the largest talised at about Rand 350m france and 450 overseas. It acquired a Californian company, Decratrend Paints, in 1887, and has subsidiaries in 1887, and has subsidi THE BOARD of Bassett Foods, in recent weeks Tootal has the Liquorice Allsorts mann-become embroiled in bid specuconcerns.

reduce S African stake

lation following the disclosure that Mr Abe Goldberg, the Aus-tralian industrialist who

company's equity. It is negotia-ting with a number of concerns about 700 cents (168p) each. Da Gama is involved in most areas of textiles including fab-

Negotiations over Da Gama should be completed by the end of the month. Tootal

insisted that its decision to reduce its interest in Da Gama was not based on political grounds, but formed part of an ongoing strategy of withdrawai from peripheral activities.

Once the negotiations are completed Tootal intends to retain an interest in the company. It is also committed to keeping its sewing thread business in South Africa.

Abbeycrest to pay up to £13m for jewellery group

By David Waller

restructuring, could include Alma Caledonia, a private Scottish group, Rowntree and United Biscuits. in cash and £2m hy the allot-ment of new shares to the ven-Gallery, which concentrates

The interest rate for this week's local authority bonds is 12% per cent, up % of a percentage point from December 15, and compares with 9% per the second of 15, and compares with 9% per cent a year ago. They are issued at par and redeemable on January 17 1990. Bonds totalling £0.75m at 124 per cent have been issued by Kirkless Metropolitan Borough Council. to that date.

substantial growth in profits since 1985 when it phased out a

ABBEYCREST, designer, manufacturer and distributor of jewellery, is buying Gallery Jewellers for a maximum of £13m. The initial £5m consideration is to be satisfied by £3m in section 15m by £3m by £

on designing and manufactur-ing rings, pendants, brooches and earrings, was a partner-ship until January 1 1987 and has no audited accounts prior Accordingly, the reporting

accountants were unable to form any opinion on Gallery's

trading record.

Nevertheless, Abbeycrest said that Gallery has achieved

It reported pre-tax profits of £1.9m on turnover of £10.93m in 1987 and in the nine months to end-September profits were £1.82m on turnover of £8.8m. The 1.43m new shares are being issued direct to the vendors and there will be no placing. Further consideration will become payable if 6.5 times Gallery's adjusted profits for the year to the end of 1989 exceed £5m.

ERF plans £6.1m rights to fund assembly investment By Kevin Done, Motor Industry Correspondent

1987-88.
The share price, which has risen rapidly in the last 12 months to a 1988-89 peak of 496p from a low of 195p, dropped 23p following the announcement to close at 393p. ERF's fortunes have been

ERF (HOLDINGS), the UK's last publicly-quoted independent truck maker, is to raise 16.1m via a one-for-four rights issue.

The group is planning to increase its investment in assembly facilities and marketing support and is investigating the possibility of adding new capacity at a third assembly site in Cheshire.

It is issuing 1.93m new ordinary shares at 330p per share. ERF said it was planning to raise its dividend for the current year to 11p against 9p in 1987-88.

The share price, which has risen rapidly in the last 12 systems, marketing support and independent in the last two years with the introduction of a highly successful new vehicle range and rapidly climbing production and sales.

The company has outperformed the generally booming UK heavy truck market and last year increased UK vehicle sales by 49 per cent to 3,740, compared with an near-19 per cent rise in the overall heavy truck market. In mid December, order books were a third higher than a year earlier.

ERF said that the introduction of a highly successful new vehicle range and rapidly climbing production and sales.

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systems, marketing support resources and working capital. In the last two years it has enhanced its main assembly plant at Sandbach and this month brought a new assembly

line into operation at its Mid-dlewich site. Potential assem-bly capacity has been increased by nearly 70 per cent to around 28 trucks per day. RRF is currently producing some 21 vehicles per day. Mr John Hobbs, finance director, said the company was now investigating setting up a further assembly line at Wins-ford. Cheshire, on the site of its

ford, Cheshire, on the site of its former fire engine plant, closed in 1975. The site is available from the end of 1989 and could provide capacity for building up to 10 trucks per day, be

ERF increased pre-tax profits to £5.6m (£718,000) in the year to end March 1988 after making losses in four of the previous six years. Pre-tax profits are expected to exceed £7m in the year to end-March 1989.

Problems in the carving up of the rump

Terry Dodsworth on how Metsun must add sparkle to GEC's other divisions

and defence divisions were to be stripped out of GEC in the manner being planned by the bidding consortium, it would leave behind a rump of mature and relatively unconnected activities

The current plan seems to be to run these under a new management team led by Sir John Cuckney, the Westland chairman brought in to head Metsun, the shell company launched to organise the take-

over.
Very few of these operations
would bring a sparkle to investors' eyes.
They are mostly in relatively

rhey are mostly in relatively pedestrian, unexciting areas, far removed from the spotlight which plays intermittently on the esoteric business of sophis-ticated electronic weaponry, or the hi-tech field of modern tele-

phony.

Here and there, electronics plays a part in these activities, but they are by no means cen-On the other hand, they are typical GEC businesses in one

They are all free standing, all are run by their own managements, and are capable of financing their own develop
sively into foreign markets in into overseas markets over the manner of Electrolux or into overseas markets over the last two years, with the acquisition of Gilbarco in the US

IF THE proposed consortium bld for GEC is kept on the rails, it is likely to involve at least one transatlantic com-

pany - Northern Telecom, the Canadian telephone exchange

Northern is a major shareholder in STC, the UK electronics company which would like to take over GPT, the joint venture telecommunications

company owned by GEC and

Plessey. The Canadian group acquired a 27.5 per cent stake in STC almost a year and a half ago as part of its long-term

strategy of international expansion. An interest in GPT

could be an important element

in this growth.
So far, Northern has said

nothing officially about its tac-

tics in the complex bid manoeuvrings now going on in

By Terry Dodsworth, Industrial Editor

and defence divisions were cash, and they could almost to be stripped out of GEC the manner being planned the bidding consortium, it minimum of change.

The largest division among these activities is the newly-created power systems group, which GEC has been planning to inject into a joint venture with Alsthom of France.

with Alsthom of France.

This embraces a wide variety of activities, from diesel engines and gas turbines, to switchgear, turbine generators, railway traffic systems and a 30 per cent stake in the National Nuclear Corporation.

Over half its sales of £1.26bn gr oversess and it earns prof. go overseas, and it earns profits of around £115m.

The next largest operation is the consumer products divi-sion, consisting mainly of Hot-

sion, consisting mainly of Hot-point, Creda and the Osram lamp interests.

Hotpoint has recently been one of the successes of the UK domestic appliances industry, storming to market leadership for washing machines, tumbledryers and dishwashers.

The company has been critic-ised for failing to move aggres-

London. Its chairman, Mr Ed Fitzgerald, a bluff, tough man-

ager who has achieved great

success for Northern in the US market, attended STC's board meeting to discuss the bid pro-

posal earlier this week. But yesterday he was back in Can-ada, presumably mulling over

Northern's strength as a potential partner in GPT lies in its technology. Along with

Alcatel, the French company, it was a pioneer in the develop-ment of digital telephone

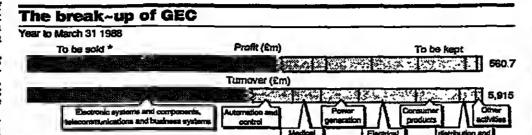
exchanges, using its expertise in this advanced area in the

early 1980s to expand its posi-tion in the US. For a time, it

led American Telephone and Telegraph, the world's largest

telecommunications group, in the installation of digital lines,

and still remains roughly on



well above those of its international rivals, and has taken a cautious view about the potential gains to be made from large scale international mann-facturing.

Some email parts may be retain

Last year, this division had sales of £582m - a 50 per cent increase on the previous 12month period – and made profits of £80.2m.

The automation and control segment is roughly the same size as domestic appliances, with turnover of £551m and profits of £45.7m last year. In this business, GEC has been tentatively pushing out into overseas markets over the

level pegging with its redoubt-able rival in this field.

digital systems to develop advanced overlay switching products for the public tele-

phone network, with products such as the 0800 free calling system. It is this sort of equip-

ment that could make the com-pany particularly attractive to

customers such as British Tele-

com in Europe, which are now anxious to follow the US' lead in installing sophisticated products of this kind, but does not have them readily avail-able in Britain.

Like other of the world's big

telecommunications manufac-turers, however, Northern has

found it difficult to penetrate

overseas markets. It has

Northern has used its lead in

Northern keeps in transatlantic hunt for possible GPT stake

achieved something of a break-through in Japan, where it France, where it will make pri-

and the purchase of a 30 per cent stake in Berkel of the Netherlands Gilbarco has strengthened GEC's position in petrol pump dispensing equipment, while Berkel has given it a foothold on the continent for the distri-bution of meters and measur-

Avery division.
In these businesses it is fair to say that GEC has brought new electronic technology to bear to help transform a fairly traditional area of manufactur-ing with a dash of modern

ing equipment made by its

Medical equipment is another area where electronics is playing an increasing role.

supplies to NTT, the large pub-lic telephone operator, and it

has been battering away in

Italy, one of the few markets where there is a significant

opportunity to set up as a large-scale producer of public

exchanges. But its main growth has been coming through steady organic expan-

This development has come

mainly in the area of private

office telephone exchanges, where it is now a leading Euro-

pean supplier, and packet

switching - a technique for maximising the use of the tele-

phone network by sending a number of different messages

down a single line almost simultaneously. It will also

shortly open its first European

Here, GEC is mainly active in the US, where its Picker division, acquired in the late 1970s, generates turnover of about £367m and profits last year of £20.7m - a low level from which it has bounced back strongly this year.

Finally there is the office systems division spun off last ear from the telecommunica-

These are centered on AB Dick, the US producer on which GEC has lost money in the past, but which has recently been turned into profit. This division has been profits but has been turned into profits but have been turned into profits but have been turned into profits but have been turned. growing both organically and through acquisition, where the

Meanwhile, the stake in STC

has led to a series of co-opera-

tive projects to develop new joint technology and transfer

expertise that each company has in specific areas. This is reportedly going well, with

about 40 Northern engineers

stationed in the UK working on these programmes out of a total of about 260.

Financially, Northern has plenty of room for manoeuvre,

despite a dip in profits in the first nine months of this year, when its net earnings dropped

to \$201m from \$207m. The com-

pany is currently restructuring its operations in North Amer-

ica, and has announced a

\$200m charge and 2,500 redun-

dancies. But at the end of September it had shareholders'

vate exchanges

nurchase of the Videoiet indusrial coding and graphics print

ing company has given profits a strong boost.

One of the key issues for potential investors in these operations would be the ability

operations would be the ability of any other company to run them more effectively than they are at present.

Most of them exhibit the characteristic signs of GEC's parsimony in physical investment. They are frequently based in dingy plants where spending appears to have been limited to absolute essentials. But the return on canital is But the return on capital is generally high, and returns on sales are respectable compared to international rivals.

At the same time, GEC is a nama that commands some respect in world markets, for all the criticism thrown at it in the City.
This could be important in

the development of these businesses, because of the potential a name gives in forging alli-ances with influential overseas companies. There is little doubt that if Metsun acquired these operations, it would be faced with a similar need to find international partners.
Would it be able to do this

But, unless Plessey can sell its stake in GPT, it is difficult to see where it could find the cash to buy parts of Marconi. The deal already envisages selling large parts of Marconi to Thomson of France. If an ease larger parts had to be sold even larger part had to be sold to foreigners, it is thought the political outcry would redou-

about joining the consortium is that it feels it could be biting off more than it could chew. Although it is considering defraying part of the costs by selling a stake of GPT to Northern Telecom, it does not want to jeopardize the real suc-cesses it has achieved in recent

the early 1980s. However, since
1986, a new management team
led by Mr Arthur Waish, the
managing director, has turned
tha company around financially. A loss in 1985 was
turned into pre-tax profits of

STC's involvement vital to success of takeover plan

By Hugo Dixon

STC REPRESENTS the union jack in the jigsaw puzzle that Lazards, the UK merchant bank, is trying to put together to hid for GRC. Without the involvement of the UK's second largest electronics group, it is difficult to see how a deal can be put together that will overcome political objections.

The Lazard plan — as it was envisaged early this week — was for STC to take over GPT, the 50-50 telecommunications joint venture between GEC and

the 50-50 telecommunications joint venture between GEC and Plessey, for about £1.8bn.
Half of this cash would have been channelled through to GEC's shareholders to entice them to accept the bid. The other half would have been paid to Plessey.

With its cash, Plessey would then have been able to afford to buy a significant slice of Marconi, GEC's defence com-pany. It is understood to be most interested in its radar, recent and torredo husinesses. sonar and torpedo businesses. However, if STC is not involved, the deal seems likely

to unravel.

Lazard is understood to be talking to AT&T, the giant US telecommunications company, about it taking a stake in GPT. However, its involvement would lend weight to criticism that GEC was being carved up by foreigners.

One of STC's main doubts

years.
STC had a rocky period in
the early 1980s. However, since
1986, a new management team
led by Mr Arthur Waish, the
managing director, has turned
tha company around finan-

current financial year.

The main thrust of STCs strategy was to focus on two core businesses — telecommunications and computers. As such, it has been trying to get the benefits from the convergence in computing and telecommunications technologies, which have cluded many of its which have eluded many of its

which have cluded many of its international competitors.

Its computer husiness cantres on ICL, the UK's ealy indigenous manufacturer of mainframes. Instead of trying to sell computers across the board, it has focused on selling into selected sectors such as the government and retailing sectors. This strategy was taken one step further last December, when it bought Datachecker, a US company which specialises in electronic point of sale systems.

STC's telecommunications business has had to recover from its removal from the British project to develop a digital

ish project to develop a digital talephone exchange in the early 1980s.

Its strategy has been to held up a telecommunications busi-ness, which does not rely on making its own switch, and has three prongs: underwater fibre-optic cables, transmission systems and a new area called

"intelligent networks."
This strategy has recently started to bear fruit. In the past month, STC has won two contracts (worth \$200m and \$150m) to supply major sections of new telecommunica-Pacific and Atlantic oceans.
This has reinforced its position as one of the world's leading companies in this field.

Its emphasis on transmission systems started paying divi-dends last year, when it was chosen by British Telecom as a joint supplier with GPT for its new fibre-optic systems in business centres. Meanwhile, its strategy for intelligent net-works took a step forward with the purchase of Computer Consoles, a US company specialising in this area, for \$168m, which was completed earlier



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Robert Lowe acquisition and £3.95m rights issue

ROBERT H. LOWE, supplier of children's wear, sports and lei-surewear and of specialist printing and packaging, has agreed to acquire Lewing, sports and leisurewear manu-facturer. The initial consideration of £3.5m is to be satisfied by £2m cash and £1.5m in new redeemable convertible prefer-

convertible redeemable preference shares to raise £3.95m. Of this, £2m will satisfy the cash element of the acquisition. The rest will reduce Lowe's indebt-

edness and gearing.

Manchester-based Lewing's profits before tax and management charges in the year to March 31 1988 were 5933,000. Further payment of £350,000 is to be made on April 30, satisfied by tha issue of Lowa shares. A loan note of £1m

redeemable is to be issued in February 1990. Additional conised profits up to October 31
1990 exceeding £2.3m. However,
a clawback up to £100,000
would apply if Lewing profits
for the 10 months to October 31 1989 failed to exceed an annual-

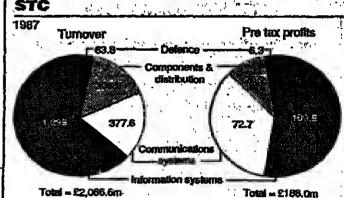
Ed Fitzgerald - mulling over

ing net debt of only about

his options

Pre-tax profits at Lowe in the year to October 31 rose 76 per cent from £851,000 to £1.5m on sales more than doubled from £13.38m to £28.28m. A final dividend of 2.25p (1.8p) is proposed, raising the year's total to 3.5p (2.8p). The terms of the rights issue

are nine preference shares at 100p each for every 20 Lowe ordinary shares held. Lowe said yesterday that loss-making Babygro, acquired in August for 24.3m, was responding well to corrective action and would return to profit in the current year.



Banner nears Avdel limit

SHARES in Avdel eased by 1½p to 33½p yesterday after Banner Industries, the former frustrated bidder for the UK fasteners group, neared the limit of the shares it can buy. Bannar, whose offer has lapsed, said yesterday that it has about 44.3 per cent of Avdel's voting rights. It could

still buy another ½m shares, equivalent to another 0.4 per cent of the voting rights.

Banner's buying has kept Avdel's price above the 92pashare recommended offer from Textron, US conglomerate. Its first close is on Friday. Textron claims about 44.3 per cent of Avdel's voting rights.

COMPANY NEWS IN BRIEF

AMERICAN BUSINESS
Systems' US operating company, Danka Industries, has
acquired ACTA-FAX Business
Machines for \$2.65m (£2.05m).
ACTA-FAX, based in Columhia, South Carolina, currently
generates pre-tax profits of
\$35,000 on sales of \$6m.
J BIBBY and Sons annual
meeting was told that although meeting was told that although there had recently been a grad-

ual resumption in demand for eggs, the agricultural division had suffered some loss of feed volumes due to problems in the

egg industry.

BRITISH FITTINGS has acquired John Hood (Copper Alloys), stockist and distributor of non-ferrous metal products, for £541,000 cash. Also 50 per cent of the capital of Necper cent of the capital of Neo-lith Pumps London for £175,000

BOARD MEETINGS **PUBLIC WORKS LOAN BOARD RATES**

114 117 1104 104 105 105 105 105 97 97 93 Over 1 up to 2 11% 11% 11% 10% 10% 10% 10% 10% 9% 9% 125 125 125 125 115 115 115 115 105 97 1214 1115 1115 1114 1110 1103 103 97 Over 2 up to 3 4 up to 5 Over 5 up to 6 Over 7 up to 8 Over 9 up to 10.

"Non-quota loans B ara 1 per cent higher in each case than non-quota loans A. †Equal instalments of principal. †† Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

in 120,869 shares; the rest of the capital is already held in the group.
CAIRD GROUP has acquired

CAIRD GROUP has acquired three waste disposal businesses in Aberdeen for £1.2m. Nimmo Equipment Services has been acquired for £539,000 in shares and cash, Neil Sharp Skip Hire for £535,000 in cash and the waste disposal business of Cebo UK for £145,000. CANNING (W), chemicals and industrial distribution group, has estimated pre-tax profits of £7m for the year to December 31 1988, compared with £6.1m achieved in the previous year. CITYVISION has received rights issue acceptances for rights issue acceptances for 4.69m convertible preference shares (55.04 per cent). The balance of the rights not taken up

2011

has been placed by brokers McCaughan Dyson Capel Cure at a premium.

HARRISON MALAYSIAN HARRISON MALAYSIAN Plantations has acquired the cutstanding paid up capital of Tegas Setia with the purchase from Dah Lee Rubber Industries of Hong Kong of 1.2m shares (30 per cent) for a total of 3m ringgit (2820,000).

LADSHOKE GROUP's acquisition of Thomson T-Line is not being referred to the Monopolies and Mergers Commission.

NORTHERN ENGINEERING Industries' offer for Victor Products' preferred shares has been extended until 3pm on January 31. By 3pm on January 10, NEI had received acceptances in respect of 553,163 preferred shares (72.3 per cent).

DIAIDENDS	ANNO	NUCE	D ·
Current payment	Date of payment	Corres - ponding dividend	Tota for year

	Palmett	payment	pueplyin	year	year
Banks (Sidney C)int	2.125	18	2.125		
Barbour indexint	2.5	Apr 6	2	-	_'_
Besputint	2.25	Feb 23	2	-	5.5
Body Shop Int'iint	4 0000	Feb 28	4	· · ·	5
UNITED PROCES &		- 40 50	- .		1.5
Econ Forestry 5	2.0/		•	4	
Fleming Overseasint		Feb 23	1.75	3.25	3
bivestment Coint	1.5		1	-	2.7
Inlet Court Co	0.25	Mar. 31	0.225	•	
Irish Contifin	1.6759		0220		0.65
Lowe (Robert H)fir		An- 7	_	1.6759	•
MODEL COMMITTEE AND ASSESSMENT		Apr.7	1.8	3.5	2.8
THE PERSON NAMED IN A		-	20.25	45.2	37.8
Sock Shop Int'sint	1.5	Mar 31	1		3.5
Sthe Business &fin		Feb 23			
Zamen &	3.81	Feb 27	.29		8.0
Zettersint	1.5	Feb 28		6.01	4.6
	_	. 60 25	1.5	- '	. 6

Dividends shown pence per share not except where otherwise stated. Equivalent after allowing for scrip issue. You capital increased by rights and/or acquisition issues. \$USM stock. \$\text{SUnquoted stock.} 4\text{Third} market. \$\text{\$Makes 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Makes}\$} \text{\$\text{\$Makes 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Makes 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\text{\$\text{\$Allowed 2p for first 12 months of 17-month period.} \$\text{\$\t

UK COMPANY NEWS

Warnings of a downturn in the paper industry come to nothing Robert Horne turns in 17% rise to £15.4m

ROBERT HORNE, paper merchant, reported "yet another very good year" in the words of Sir Kenneth Berrill, the group's chairman. Pre-tax profits rose by 16.9 per cent to £15.4m in the year ended September 30, on seles up 20.1 per cent to £187.5m

dvemen

Andel III

X11.

cent to £187.5m.
Sir Kenneth said there was no sign of the widely-forecast downturn in the paper industry and that the current year had started well. The A non-voting papers and the content of the content of the current year had started well. voting shares rose 22p to 255p yesterday.

The paper merchanting side contributed nearly 90 per cent of profits. After some pressurs on margins in the first half the group said the position had sta-bilised. The Scottish subsidiary had a good first year of opera-

Sales in the division rose by 17.4 per cent, a combination of a volume gain of 12 per cent, compared to 11 per cent for the market, and price increases worth about 5 per cent. Operating profits were up 11.1 per cent to 213.7m.

Horne is extending its ware-house at Northampton, and installing a new computerised system. Both would be opera-

system. Both would be opera-tional at the end of the current financial year.

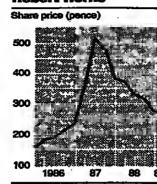
The expenditure will incur-interest charges though the company expects that these would be covered by cost savings and expansion when the new facilities opened. The group ended the last financial year with searing of 8.6 per year with gearing of 8.6 per cent.

Horne has been seeking to build up activitias outside paper merchanting and has recently purchased three office recently purchased three office supply businesses with a combined turnover of £18m, at a total cost of £3m. By putting the three, all based in the South East, together there should be margin gains to be made, the group said.

Three other divisions shound at the profile constitutions.

showed strong profits growth.
Trutte, a fasteners business,
increased profits by nearly 40
per cent to £617,000. Atkins &
Cripps, an importer and dis-

Robert Home



tributer of hardwoods, acquired in 1987, contributed 2553,000 to profits in its first full year. Spectrum Adhesive Coaters, which makes self-ad-hesive labals, showed an almost four-fold profit rise to

Earnings per share rose 14 per cent to 30.1p and the annual dividend is up by 17.9 per cent to 8.25p, net by virtue of a 5.75p (5.0p) proposed final

There is still strong growth in There is still strong growth in demand for paper, particularly the coated grades used for advertising and magazines. Horne seems to be having no difficulty in passing on price increases from the paper mills to customers. A 5 per cent-price rise in October is being followed up by further increases in the next couple of months. If there were to be a slump in demand and prices slump in demand and prices
Horne's profits would inevitably fall, but there seem to be
no clouds on the horizon yet.
Meanwhile, Horne is rapidly building up other activities which could provide a some cushion if the worst happened. With profits this year expected to reach around £17.5m, the

prospective p/e on the A shares is 7.5. That still looks on the low side in spite of the near 10 per cent rise in the share price yesterday.

said that those objectives

should be achieved over the next 15 months with expendi-

ture of \$3.5m - \$1.5m to be spent in the first six months at which stage BP Minerals has the option to withdraw with no

If BP Minerals retains its interest in the project, Acorn's shareholding will drop to 32.5 per cent. Other partners in the venture include Aneka Tam-

bang, the Indonesian state-owned mining company, with 20 per cent.

shares rise on news of 29.8% option buy

By Nikki Tait

Cakebread

SHARES IN Cakebread Robey, Enfield-based builders' mer-chant, yesterday rose sharply on news that Firoka, a private on news that Firoka, a private company with property and hotel interests, had acquired an option over 29.8 per cent of Cakebread voting shares, plus some of the non-voting class. Cakebread A shares rose 12p to 162p. The company is currently capitalised at just under £10m.

Firoka has already made informal approaches to certain Cakebread board members to see whether they would be interested in disposing of their holdings.

However, after a boardmeeting yesterday, Cakebread said that directors representing 57.79 per cent of the voting rights had confirmed that they had no present intention of

The shares involved in the option agreement are cur-rently owned by Mr Frank Cakebread, who was at one stage deputy chairman of the group, but is now no longer on the board.

Firoka, run by Mr Firoz Kas-sam, has bought an option over 223,859 erdinary shares — which carry the votes and 1.15m A shares.

The option period started on Tuesday and expires on February 21. If the option is exercised, the cost to Firoka will be £2.53m.

Yesterday, NatWest Stock-brokers, who are acting for Firoka, said that they did not know what consideration, if any, might have been paid for the option itself. They added that they understood Mr Kas-sam believed he could bring some property expertise to the

Cakebread Robey has been subject to bid approaches in the past, but the two major sets of shareholders – the Robey family, which is repre-sented on the board through Mr Ian Robey, the chairman, and the well-established holding belonging to Smith & Son have rebuffed such advances. These stakes account for the voting share majority mentioned in yester-day's board statement.

Southern Business pleases City with 66% expansion to £6.8m

SOUTHERN BUSINESS Group, photocopier and vending machine contractor, reported pre-tax profits up 66 per cent to £6.81m in the year to September 30. The outcome included property profits of £300,000.

Mr David McEriain, managing director reported that aug-Mr David McErlain, managing director, reported that current year trading continued at record levels. His bullishness, combined with the fact that the results were significantly ahead of expectations, yesterday helped the shares gain 20p to close at 357p.

Turnover climbed 49 per cent to £19.31m and earnings per share advanced by 42 per cent to 30.4p.

to 30.4p.

Group forward contracted ncome - the minimum level of turnover to be generated from existing contracts – stood at £150.6m, 77 per cent up on the previous year's £85m.
The proposed final dividend is
3.5p, making a total of 6.01p
(4.6p) for the year.
Mr McErlain said that all

parts of the company had done well during the year. Recent

THE SEPTEMBER postal strike ground the football pools

operations of Zetters Group to a virtual standstill for three

weeks and slashed pre-tax prof-

its from £282,894 to £113,514

during the six months to Sep-tember 30.

The strike hit the company's

direct mail business and a big

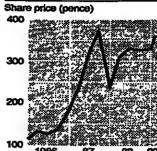
mid-September promotion in a national Sunday newspaper, which had been paid for in advance and could not be can-celled. Zetters has only 3 per cent of the football pools busi-

ness but is more dependent

upon the post for business than its two competitors.

By Ray Bashford

Southern Business Group



acquisitions - in the form of Benworth, Electronic Business Machines and Pioneer - were now reaching planned levels of profitability, whilst Tabard House had continued to make significant progress in increas-ing market share.

of the strike the company was

examining ways of reducing

Littlewoods, which domi-nates the market with a 75 per

cent share, and Vernons, the

through agents and collectors.

ally the stronger contributor to profits as it includes the height

of the UK football season, Dur-ing the year to March 31 last year the company returned

pre-tax profits of £1.15m.

The second half is tradition-

dependence on the post.

COMMENT Southern Business operates an

Postal strike hits Zetters

ingenious management system which has the dual effect of keeping down costs and motivating its employees with bonuses that do not eat into profits. At the same time, it concentrates its marketing energies on supplying photo-copying machines on the prin-ciple of securing contracts on a cost per copy basis rather than a straight sale or service agree-ment. The result of these two unique features is that profits vault ahead in every six month period. The impressive hike in gross margin in yesterday's fig-ures (from 29.7 to 31 per cent) show that the the formula can be applied to recently acquired companies with great effect. Combine that with the growth to come from building on a low market share, and earnings should continue to grow at the rate of (at least) 25 per cent a year. Assuming £8.7m.£9m pre-tax profits in the current year, and an actual tax charge of 10 per cent, the shares seem grossly undervalued on a pro-spective multiple of under 10.

Cluff Rscs takes further steps into gold mining

By Kenneth Gooding, Mining Correspondent

move away from being a loss-making minor oil company to a profitable medium-sized gold

mining concern.
It has acquired a 42 per cent interest in Minera Horus, a Chilean company which oper-ates La Pepa gold mining proj-ect in that country where reserves totalling 168,000 troy ounces have been recently established.

Cluff's interest will be

CLUFF RESOURCES, the start production in the middle USM-quoted group, has taken of this year at an annual rate of at least 20,000 cunces. It said the cost of bringing the mine into production would be less than \$4m

Cluff has also acquired the remaining 50 per cent of its Ghana exploration venture – which has two exploration licences in the Ashanti region and the Cluff Taywood Mining company from Taylor

Woodrow Construction. Cluff's interest will be increased to 50 per cent on completion of a feasibility study and the arranging of development funds. Cluff said yesterday its objective was to

BP offshoot to take 40% stake in diamond project

By Kenneth Gooding, Mining Correspondent

BP MINERALS, the British non-recourse finance.

Petroleum subsidiary about to The Perth-based company Petroleum subsidiary about to be sold for £2.4bn to RTZ, has agreed to spend up to \$6m (£3.38m) for a 40 per cent inter-est in Indonesia's first diamond mining project in south east

Acom Securities, an Australian mining company which currently has a 60 per cent interest in the venture, said BP Minerals would attempt to increase the proven diamond. bearing gravel reserves to a volume and grade sufficient to give the mine a minimum life of ten years and to attract

Carron Phoenix

Carron Phoenix, kitchen sink maker and catering equipment distributor, raised its profits from £1.4m to £1.51m pre-tax for the year to October 1 1988, Turnover rose by £2.44m to £17.6m

Shareholdars in the company, which joined the USM a year ago, are to receive a total dividend of 4p via a final of 2.67p. Barnings emerged at 9.4p (10.1p)

Economic Forestry

Profits of the Economic Forestry Group totalled £1.94m pre-tax for the 53 weeks to October 2 1988, 55 per cent ahead of the £1.25m for the preceding 52 weeks. Turnover rose by almost £2m to £37.05m. Earnings were 9.8p (8.19p) and a final dividend of 2p raises the total to 3.25p (3p). The USM group is engaged in

the establishment and manage-ment of forests and woodlands.

Although the strike lasted only 10 days Mr Yardley said the company's performance Mr Terry Yardley, financial director, said that in the wake

Astra Trust improved its trading profit in the half year to October 31 1988 and, with an pre-tax profit of £381,000, compared to a loss of £89,000.

credit of £452,000 came from sale of investment property.

The directors said the development of financial services (trading profit trebled to £162,000) as the core trading

was impaired for three months into the first weeks of December, indicating that the full year results might only carry a legacy of the dispute.

Although the company does not expect to recoup the first half downturn, returns from the marketing and competition other company in the business, were relatively sheltered from the impact of the strike because they trade more arms are expected to reduce the impact These subsidiary operations,

which include "spot the ball" competitions and a tie up with s major national daily to operste its Lotto competition, per-formed well in the first half. The contributions from these

businesses explain a growth in turnover which increased to £10.9m compared with £10m in the corresponding half.

Property sale aids Astra Trust

exceptional credit, turned in a Thrnover was £2,71m (£2.76m). Trading profit £112,000 (£73,000). Exceptional

activity continued.
Engineering lost £53,000

against £26,000 profit.

The Investment Co

The Investment Company

USM & THE THIRD MARKET

The Financial Times proposes to publish this survey on:

6TH FEBRUARY 1989

For a full editorial synopsis and advertisement details, please contact:

EDWARD MACQUISTEN

on 01-248 8000 ext 3300 or write to him at:

Bracken House 10 Cannon Street London EC4P 4BY

FINANCIAL TIMES

Ace Belmont International pic

SUMMARY OF RESULTS

FOR THE YEAR ENDED 31st AUGUST 1988

Emnings per share 161.25p (1987 80.90p)

Queen's Award for Export Achievement

Significant contribution to profits by Property division

Swinemoor Lane,

BEVERLEY,

North Humberside

1988

£0000's

1987

£0000's

50,733

2,837

(929)

1,908

(124)

1,784

(209)

1.575

BARBOUR INDEX

Profits top the £2m mark

BARBOUR INDEX, provider of specialist information ervices to the construction, health, safety and computer markets, increased pre-tax profits from £1.91m to £2.18m in the six months to October 31. This rise was achieved on turnover 30 per cent ahead

from £3.93m to £5.1m. Earnings per share moved up 17 per cent to 17.1p (14.6p) and the interim dividend is raised to 2.5p (2p). Mr Patrick Barbour, chairman, said the rate of development expenditure had increased to include the

development of new services and a re-design of the He said profits were still weighted towards the first half. but the second would continue its trend of producing an increasing share of profits.

ACE BELMONT Double up at

12 months

Ace Belmont International Humberside-based caravan manufacturer, lifted pre-tax profits from £2.64m to £5.62m in the year to August 31 1988 Sales totalled £81.39m - a rise of 60 per cent on the previous year's £50.73m. After tax of £2.02m (£929,000). earnings per £1 share rose to 161.25p (80.9p).

SIDNEY C BANKS Less stress on farm supplies

Despite a rise in sales from £53.68m to £61.63m, interim pre-tax profits at Sidney C Banks fell slightly from £1.26m to £1.09m. After tax of £376,000



Information:

(£452,000), earnings at this grain and agricultural merchant came out at 10.6p

The interim dividend remains 2.125p. The directors said activities not directly related to the supply of farm products continued to be developed. The contribution to profit from these businesses had increased.

REAL TIME CONTROL Setback at midterm

Profits of Real Time Control, USM-quoted manufacturer of electronic keyboards, colour terminals and advanced information systems, fell from \$237,000 to £52,000 pre-tax for the half year ended September

Directors blamed the setback on costs associated with a continued development of products which were required to furnish a dealer marketing operation, both at home and

They added that the figures

did not reflect advances in the period which should provide the basis of the company's future profitability.

The half year saw turnover improve to £1.85m (£1.59m).

At the trading level, however, the company ran up a loss of £21,000 compared with previous profits of £148,000. Earnings per 5p share emerged at 0.6p (2.3p).

BESPAK

Advance at six months

Bespak, manufacturer of specialised aerosol valve systems, raised its profits by 12 per cent to £1.61m pre-tax for the half year ended October 28. Turnover pushed ahead from £9.01m to £9.48m. Earnings rose by 7 per cent to 7.5p per 10p share and the interim dividend is being stepped up 0.25p to 2.25p.

Recovery in manufacturing

£763,000 to £1.24m in the six months to October 31 1988. Last year's profit was struck after an exceptional charge

News Digest

of £87,000. Turnover rose by 11 per cent to £18.88m. After tax of £475,000 (£370,000), earnings per 10p share almost doubled at 4.32p (2.23p). The improvement on the UK manufacturing side meant groupdivisional profit figures were more balanced. The manufacturing operation mad a profit of £385,000 (£11,000 loss); UK distribution profits dipped from £513,000 to £458,000, but the international contribution was ahead at

£392,000 (£348,000). The interim dividend is increased to 1.25p (1.1p).

COATED ELECT Warning about the full year

Coated Electrodes International returned to the black in the first half with pre-tax profits of £211,000 against losses of £184,000 in the second half of the previous year. However Mr Michael Mallett, chairman, warned that action to resolve remaining problems would eliminate

profits for the full year.

Profits for the six months to October 2 compared with £825,000 in the same period of the previous year on turnover higher at £6.25m (£5.87m). Mr Mallett said the figures for the USM-quoted Sheffield-based company with interests in coated electrodes, graphite recovery and machining, specialist machinery and refractories had been affected by a significant loss at Sarclad. Earnings per 5p share were 1p (3.7p) and the interim

dividend has been passed after 1.4p last time. Last year's final was also passed. DOWTY

Expanding via acquisition

Dowty, the engineering group, is expanding its information technology interests with the acquisition of Mayze Systems for a maximum of £6.1m. The company will be used to spearhead Dowty's international marketing efforts in data communications products

Formed 18 months ago, Swindon-based Mayze designs and manufactures a range of modems and multiplexes.

Turnover for the current year is likely to reach £5m. Dowty acquired 30 per cent of Mayze through its £80m purchase of CASE last summer. It is buying the balance of the shares via an issue of new Dowty shares worth £2.1m. Further sums will be payable in shares, subject to a maximum consideration of £6.1m.

WESTPOOL

Benefiting from interest income

Westpool Investment Trust,

depending on the company's

performance to April 1990.

investment holding company, announcedpre-tax profits 53 per cent higher at £3.29m in the six months to October 31. Directors said that the increase reflected a full half year's interest on money deposited. They expect to retain a substantial part of current cash deposits and full year profits would reflect benefits of the resulting

income. Gross income amounted to £3.42m (£2.39m), with the dividend from the London Merchant Securities subsidiar contributing £2.38m (£2.22m). Earnings per share were 2.32p (1.56p). The interim dividend is maintained at 0.35p.

MARKHEATH Sharp progress to £3.78m

Markheath Securities, commercial and residential property investor and developer, lifted taxable profit 86 per cent to £3.78m in the six months to end-September. Turnover rose from £8.82m to £15 93m.

Income from investment properties almost doubled to £893,000 (£425,000), but dividends receivable dipped sharply to just £43,000 Earnings per share expanded to 4.02p (2.64p). The interim dividend is raised to 1.5p (1p).

FLEMING OVERSEAS Good rise in earnings

Fleming Overseas Investment Trust increased net asset value to 206.1p at the end of 1988, from 178.2p a year earlier.
With pre-tax revenue for the

half year to December 31 up to £4.89m (£2.52m), earnings per share showed a sharp rise from 1.25p to 2.43p. The board said full-year earnings were likely to show a substantial

increase over last year's 2.71p. The board intends to recommend distribution in the final dividend of most of any increased earnings. The interim dividend has been stepped up from 1p to 1.5p last year's final was 1.7p.

ALEXANDERS HLDGS Sharply up

at £1.73m

Pre-tax profits rose 91 per cent to a record £1.73m at Alexanders Holdings in the year to September 30 1988. The advance from £905,000 previously was achieved on turnover up 24 per cent from £68.16m to £84.5m.

The directors of the company, Scotland's biggest Ford main dealer, have recommended a dividend of 1p, up from 0.73p on earnings per 10p share of 3.15p (1.46p).

Mr Bertie Loudon, chairman, said the profits growth was generated by all areas of the business and reflected efforts to reduce borrowings and improve overall efficiency. The surplus on the sale of an investment property after the end of the year would be reflected in the current year.

JURYS HOTEL Sights set on

record return

Jurys Hotel Group, Dublin-based hotel operator, reported pre-tax profits ahead to I£1.65m (£1.37m) for the half year ended October 31 1988, compared with a previous £1.55m.

Turnover rose from 29.24m to £9.84m.

The interim dividend is lifted to 1.8p (1.5p), payable from earnings of 7.08p (6.57p) per share.

Improved trading was continuing into the second half, the directors said, and they expected record profits for the year.

Construction of the 100 new bedrooms on the Dublin Hotel site, to be known as Towers at Jurys, would be completed towards the end of February.

reported pre-tax revenue for the six months to end-September of £437,172 (£477,346). Total income was £583,572 (£561,679). Tax took £379,214 (£260,972) and the interim dividend of 0.25p (0.23p adjusted) came from earnings of 1.1p (1.2p).

HILCLARE

Midway decline to £72,000

In its first results since joining the Third Market in June Hilclare has reported a decline in pre-tax profits to £72,000 from £175,000. The company, which designs and manufactures electronic, electrical, security and lighting products, forecast at the time of its debut, pre-tax profits for

the yaer of not less than £250,000. Turnover in the first half dropped to £651,000 (£1.14m). Trading in that period is normally lower than in the second half. The directors said results were ahead of budget in respect of sales and pre-tax profits.

ABBEY PANELS Setback at year-end

Abbey Panels Investments, precision engineer and fabricator, reported a 36 per cent drop in pre-tax profits from £1.42m to £908,000 in the

year to September 30 1988. Turnover was down marginally from £13.06m to £12.42m and operating profit fell 39 per cent to £784,000 (£1.28m). After tax of £460,000

(£720,000), a recommended final dividend of 1.8p (1.2p), making 3p (2.4p) for the year, came from earnings per share of 22.41p (35.98p).

The results for 1987 have been restated to allow for a change in depreciation methods. This has the effect of reducing the depreciation charge for 1988 by £221,000 and by £256,000 for 1987.

CANTORS

Turnover and profit up 15%

Cantors, furniture retailer, reported interim pre-tax profits ahead by 15 per cent at £926,000, against £804,000. Mr Harold Cantor, chairman, said

that the company continued to trade satisfactorily.

Turnover for the six months to October 29 was up from \$16.99m to £19.48m, also a rise of 15 per cent, and after tax of £324,000 (£280,000) earnings per share were up at 4.38p (3.83p). The interim dividend is raised from 0.75 to 1p.

81,389 Termover 5,617 Profit before taxation : (2.022)3,595 Profit after taxation (84) Extraordinary items 3,511 (209)Preference dividend 3,302 Profit retained SUMMARY FROM THE REVIEW OF THE CHAIRMAN, MARTIN SHAW, LL.B.

Pre-tax profits almost doubled Tumover substantially increased

on, Heldring & Pierson N.

WYKO GROUP

A strong recovery by its manufacturing division enabled Wyko Group, USM-quoted bearing and power transmission component distributor, to raise pre-tax profits by 62 per cent from

Brussels plans tough farm price package

By Tim Dickson in Brussels

THE EUROPEAN Commission looks set to propose cutting support for cereal producers as part of a tough farm price package due to be unveiled in

Strasbroug next week.
First indications of the Commission's thinking started to emerge yesterday after Mr Ray MacSharry, the new Irish Agriculture Commissioner, had outlined his preliminary thinking to his 16 colleagues at a meeting in Brussels. His ideas suggest that the Community's farmers can expect little let up in the restrictive price policy of

in the restrictive price poncy of by Mr Frans Andriessen, Mr MacSharry's predecessor. Officials and diplomats stressed that negotations were at an early stage hnt it is already clear that next week's package — likely to be pres-ented to EC Farm Ministers at their meeting on January 23 their meeting on January 23 -will contain controversial pro posals for tightening up the EC's grains regime. Cereals farmers already face

an automatic 3 per cent cut in their guaranteed price next year following an announce-ment in November that the 1988/89 cereals harvest had been estimated et 162.5m. tomes - 1.6 per cent above the support ceiling of 160m tomes agreed by heads of gov-ernment last February. On top of this it is thought that the commission will propose that intervention purchases are in future restricted to four or five months of the year in Northern Europe (against seven months at the moment) and that the so-called monthly increment payments designed to discourage producers from putting their grain into storage are cut by 25 per cent and limited to

four monthly instalments. The cumulative effect of the Commission's plan is calculated by some lohhyists as a price cut exceeding 5 per cent, though this would he mitigated, at least in part, for most member states by adjustments to green currencies (the rates at which Ecn denominated prices are translated into national money). West German farmers, on the other hand, may face proposals for bigger cuts in their own currency.

The overall thrust of the forthcoming package is expected to be a price freeze – but officials in the Commission are known to be recommending a 5 per cent cut in the guaranteed got off lightly in last year's famous stabiliser reforms but a cut could cause problems with Caribbean producers who, under a deal with the ACP bloc of developing nations, are guaranteed a 1.3m-tonne import quota, normally at the EC's guaranteed price.

THE WORLD'S oil trading community appears to be growing ever more comfortable with the notion that the great surge of production by members of the Organisation of Petroleum Exporting Countries in the fourth quarter of 1988 has vanished, never to be heard of

again.
Oil prices yesterday continned to firm following the
weekly American Petroleum Institute report Tuesday night that US crude stocks fell in the week to January 6 by 5.55m barrels. Refined product stocks in primary storage rose by a

countries have sharply reduced output in the first week of the

sumption has grown much fas-ter than was previously thought, thus allowing the increased Opec output to pass through the system quickly.

1988 fourth quarter oil con-sumption in the industrialised countries to 4 per cent.

The IEA figures, however, also confirmed a big surge in

NON-COMMUNIST world oil supplies reached the highest levels in a decade during the fourth quarter of the 1988, at 53.5m barrels a day, according

to the monthly report of the International Energy Agency. For the whole year, supplies reached 50.4m b/d. Opec production surged to a peak of peaked at 22.7m b/d in Decamber, while Opec annual production averaged 19.5m b/d, an increase of 2m h/d over 1987.

The IEA also reported a surge in the growth of consumption in the industria-

mates at 22.7m barrels a day in December. Opec production grew rapidly from September when Saudi Arabia, frustrated at lack of production discipline by other Opec members, sharply raised its output bewend its quota limit.

to limit production during December, this appears to have fallen apart, and in fact pro-The growing consensus that oil prices may remain firm, however, has not shaken the bears from a view that the real

lised countries during the Oil price fourth quarter, which it estimated at 4 per cent over the fourth quarter of 1987, including movements to secondary and tertiary in 1988 non-communist oil consumption grew by 2.7 per cent, at 50.1m b/d, the highest

As of January 1, stocks on land in the industrialised countries fell by 400,000 tons below the level a year earlier, although the IRA warned that stocks elsewhere might have

weeks time, just as Middle East cruda supplies build up. The CERA study examines

another peculiarity of the cur-rent market, which is the failtre of prices for Dubsi crudes to match the recent neward swing in prices for North Sea Brent and West Texas Interme-

date in the US.

Brent and WTI typically trade at \$1.50 and \$2.50 a barrel premiums respectively over Dubai, reflecting differences in transportation costs and quality. These differentials, how-ever, have widened to \$2.50 and \$4 in recent months. CERA has found four periods in which Brent and WTI crudes

traded at such premiums. In one case only, when Opec changed its price formula in 1986, did Dubai rise to restore the traditional price relationship. In all other cases Brent and WTI fell back, and CERA expects that to happen this time as well.

The lengths of these periods, averaging 21 weeks, also indi-cates an impending resolution of the current distortion, which has lasted for about 19 weeks. Both WTI and Brent are traded in more highly devel-oped markets, and are affected by futures trading that factors in market expectations which in market expectations which can distort short term price

CERA concludes that crude CERA concludes that crude prices are likely to decline, perhaps sharply, by late January or early February. The rate of decline could be further accelerated if secondary and tertiary storage, which lies outside of the main statistical properties is drawn down. This

reporting, is drawn down. This would be typical behaviour of consumers who do not wish to hold oil that is declining in

There are a number of fac-tors that could hold up tha price decline. The most promi-nent is the trouble in Mexico with the ofl workers union, should a strike halt Mexican oll experts oil exports.

A meeting scheduled for

A meeting scheduled for London on January 26 between Opec and non-Opec producers could give a psychological boost to the market. And the Opec ministerial monitoring committee is planning to meet in March. This will keep traders on their toes, since the committee has the authority to call a full Opec meeting if

prices deteriorate.
It is also, of course, possible. that the world's capacity to absorb a surge in Opec produc-tion is much greater than many observers had thought. In any case, a test of these the-

The Saudis were certainly unhappy that nearly all of the increase in quota allocations at

surely welcomed.

For the rest of the world, the increased Saudi reserve figure

Gulf producers. This may take

five, or ten or more years, depending on how quickly oil

consumption rises and on how

long non-Opec production can be maintained. The non-Opec

oil producers are running through reserves at a pace that

simply cannot be sustained.

Rumours York cotton **futures** By Deborah Hargreaves in

Chicago

COTTON FUTURES prices have been huoyed by market rumours in spite of the lack of fundamental strength in the underlying physical cotton market.

underlying physical cotton market.

The market broke out of its torpor last Thursday, in response to rumours that China had made a major purchase from the US, and earlier this week prices on the New York Cotton Exchange edged above 60 cents a lb for the first time since last July.

The rumours of Chinese buying are yet to be confirmed, but they have been enough to encourage a surge of speculative interest in the contract. Traders believe China has bought as much as 150,000 bales from the US and could be in the market for mora.

China is traditionally a net exporter of cotton — the second largest in the world — but the country's stocks have run low after last year's poor crop.

Any Chinese foray into the

low after last year's poor crop.

Any Chinese foray into the US market is significant since the country has not bought US cotton for many years. US rotton is in abundant supply, in fact, "we're in a terribly over-burdened situation," says Ma Judy Ganes, commodities analyst at Shearson Lehman Hutton in New York.

The US is expected to have a record carry-over this year of 9.5m bales, up from 5.8m last year. Demand has slackened as domestic and overseas tentile mills have slowed operations

production shares among these nations will undoubtedly be a complex affair, overshadowed at times by the strategic condomestic and overseas tendes mills have slowed operations in a weak cloth market.

"There is no fundamental long-term strength in the market," says Mr Ed Whitten, who trades cotton for Balfont Maclaine in New York. He believes that if the March siderations of the balance of power in the Middle East. Iraq has already shown that a hit of aggressiveness and upgrading of reserve figures can result in a higher quota believes that if the March This must be worrying to Saudi Arabia, which has a much smaller population and futures contract can break through the technical 60 centsa-lb level, the market has the potential to go higher. But the drive behind it is purely specuis no match for Iraq's position of military dominance in the

"We have seen some farmers, coming into the market to fix their prices and when they do that, they believe the market to be near its highs," Mr Whitten addition. the last Opec meeting went to fran and fraq, and any extra bit of ammunition to strengthen its claim for a bigger share in the future is

ten adds.

The US Department of Agriculture has set an export total for cotton this year of 5m bales, but although exporters are seeing some Far East demand, this is a lot lower than between

only serves as another reminder that while the earth holds plenty of oil, eventually control over oil markets will inevitably pass again to the Colf producers. This may take than last year.

Pakistan's cotton production in the first four months of the season was slightly higher than last year despite the worst floods in 30 years, the all Pakistan Cotton Ginners Association said this week, reports Rueter from Karachi.

It said ginning factories had received 5.86m bales (375 lb each) up to January 1, up from 5.81m last year.

Oil market remains firm, but bears wait in the wings buoy New

smaller amount.
Scattered reports that Opec

year has also given support.

A growing number of analysts now believe that oil con-

This view drew apparent support from yesterday's monthly report by the International Energy Agency, which lifted its estimate for growth in

AUDI ARABIA this week single-handedly extended the world's total supply of oil at current rates of consumption by nearly four years when it added 85hn barrels to its estimates of recoverable

This means that the world

now has about 45 years' supply of oil.

out, as the accompanying graph illustrates, never seem

to amount to anything serious. Indeed the more oil the world consumes, the more it seems

The Saudi Arabian upgrading of its reserves follows substantial increases in 1986 and

1987 hy Kuwait, the United

Arab Emirates, Iraq, Iran, and

Relatively little of this oil

represents new discoveries. Instead geologists are taking a fresh look at old fields, using

newer technology to evaluate

them, and are concluding that there is a lot more oil that can

be produced than was origi-

ter ability to look into the

ground to judge the size of oil

reservoirs, and also a better

understanding of how to man-

age reservoirs to yield the max-

This results both from a bet-

able to replace it.

nally thought.

Opec ontput, which it esti-

beyond its quota limit.

Although Opec ministers reached an informal agreement duction continued to rise.

globe, from the North Slope of Alaska and the North Sea to the Middle East.

Oil is lodged at high pressure in underground rocks, or sands, and a good performing reservoir will flow oil to the

surface when tspped with a drill bit.

tends to give out when only a small portion of the oil is retrieved, and production can be enhanced by injection of

water, gas, or some chemicals, or hy skillful tapping of

the reservoir at multipla

price environment it may still

be economic to recover only, say, 40 per cent of the total oil in a reservoir, and this means

that if technology improves and should oil prices rise, recoverable reserves will also

As with most other commod-

ities, a shortage that prompts a rise in prices almost automati-

cally leads to greater supply, even leaving aside the question of further exploration that

would produce new discov-

eries. There is no question yet

reserves can be more of an art than a science, and often a

Given all of these variables,

recoverable

of oil running out.

estimating

With today's technology and

Reservoir pressure, however,

test for oil markets will not come until the end of this month, or early Fehruary.

Cambridge Energy Research Associates, the energy consulting group, has completed a study that looks at previous surges in Opec production and concludes that if historical pat-terns are repeated, oil markets will be awash with oil in a few

weeks time.

Mr Joseph Stanislaw, an anthor of the report, says that it takes about three months for a surge in Opec production to show up in US primary storage

Proven Reserves

its reserve estimates by 35hn to 100hn, there were plenty of

donhters in the oil industry.

Iraq was seeking a big increase in its production quots with the Organisation of Petroleum

Exporting Countries, which it

finally succeeded in achieving at last November's Opec meet-

Estimates of reserve were

part of a formula that once was used to determine Opec

Billion barrels

Why the bottom of the barrel never appears any closer

increased production finally lands and appears in regular statistical reports, it will coincide with the traditional February period of oil market weakness. Prices tend to be weak in February hecause it lies between the stockbuilding periods for winter heating and the warm weather driving season. The impact could be height-ened, ironically, by current reduced UK output, which is down 500,000 barrels a day because of accidents on the North Sea. North Sea supplies are tight because of the drop in production, but this will begin to ease gradually in a few

Brent Bland Crude (\$ per barrel)

Steven Butler examines the significance of Saudi Arabia's 50 per cent upgrading of estimated reserves reserves estimate. The previ-ous figure was widely regarded In the near-term, however, the significance of the Saudi

upgrading has far more to do with Middle East politics than oilfield management. At its last meeting Opec agreed a quota allocation formula intended to carry the carnew basis for production sharing could be thrashed out.

Until then any increased call on Opec production will be met by a proportionate increase in what members still call temporary quotas.

If the call on Opec production continues to rise, as it has recently, however, by the early 1990s some of Opec's smaller producers will run against capacity constraints. Other rel-

atively small producers may wish to restrain increases in order to prolong the life of limited oil reserves.

This leaves the battle for market share to the five big Gulf producers — Sandi This, of course, raises the

question of why Sandi Arabia has even bothered to under-take the six years of research that has led to this higher Arabia, Iran, Iraq, Kuwait and reserve estimate. For practical planning purposes, it makes little difference whether Saudi the United Arab Emirates and, to some extent, Vene-Arabia is sitting atop 167bn or Saudi Arabia does have more credibility than some of its

Collectively these six nations account for nearly 70 per cent of the world's total oil reserves, but only about 32 per cent of Sorting out claims for higher

US MARKETS

silver markets, reports Drexel Burnham Lambert Commission

TRADING WAS quiet in the metals with

light trada selling seen in the gold and

and abitrage buying kept copper futures firm for most of the day. In the softs, prices fell in all markets with coffee futures posting the largest

decline. The March contract was down over 1000 points. Continued long

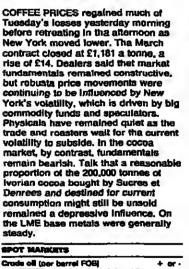
tiquidation and sell stops added to the weakness. Sugar prices fell below the

quotas, although now quotas tend to be based on ad hoc Opec bretheren, and there is little reason to doubt the broad adaptations of previous alloca-WORLD COMMODITIES PRICES

(Prices supplied by Ameigameted Metal Trading) AM Official Kerb close Open Interest

252bn barrels.

Rest of World



LONDON MARKETS

steady.		
SPOT MARKETS		
Crude oil (per berrel FOB)		+ or -
Dubal Brent Blend	\$13.72-3.82w \$16.30-6.35w	
W.T.L (1 pm est)	\$17.90-7.93	
Off products (NRVE prompt delivery per t	onne CIF)	+ or -
Premium Gasoline	\$169-172	-0.5
Gas Oil Heavy Fuel Oil	\$160-162 \$73-70	-1 -1.5
Naphtha Petroleum Argus Estimates	\$156-158	+2
Other		+ or -
Gold (per troy oz)-	\$404.00	-0.75
Silver (per tray ez) Piatinum (per tray ez)	594c \$526	-3 -2
Palladium (per troy 02)	\$131.5	-0.5
Alaminium (free market)	\$2385	-30
Copper (US Producer) Lead (US Producer)	1535 ₁ -157c 41c	
Nickel (free market) Tin (European free market)	736c	-25 -37.5
Tin (Kusie Lumpur market)	20.00r	
Tin (New York) Zinc (US Prime Western)	344.210 744c	+0.13
	110.02p	-1.74°
Cattle (live weight)† Sheep (dead weight)†	152.21p	-5.14°
Pigs (live weight)†		-2.19*
London daily sugar (raw) London daily sugar (white)		-4.6 -4
Tate and Lyle export price		-3.5
Bartoy (English feed)	£113	
Maize (US No. 3 yellow) Whest (US Dark Northern)	£131.5 £127.8v	+ 1.5
	82.00p	+ 0.50
Rubber (Spot)♥ Rubber (Feb)♥	68.50p	+ 0.50
Pubber (Mar) V	66.75p	+0.50
Rubber (KL RSS No 1 Feb)		+ 2.5
Coconut oil (Philippines)\$ Paim Oil (Malaysian)\$	\$550x \$345	-25
Copre (Philippines)5	\$380	
Soyabeans (US) Cotton "A" index		-0.5 -0.1
Woottops (84s Super)	710p	+ 55
£ a tonne unless otherwise	stated. p-per	ice/kg.
c-cents/fb. r-ringgit/kg. z-De	c/Jan. w-Feb.	v-Apr/
May, u-Jan/Feb. q-Dec. x-F	eb/Mar. TMes	COM-

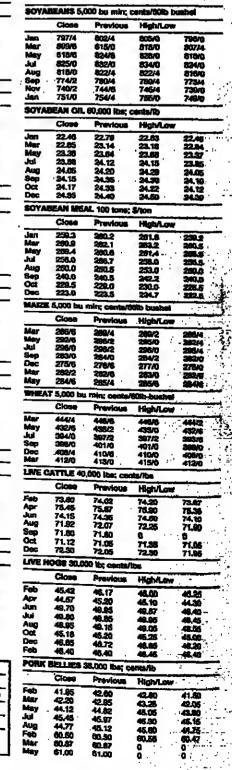
ge fatatock prices. " change from **Condon physical market. \$CIF

_	-			_	-	
COÇOA	Shonne			LOND	N MET	L DU
	Close	Previous	High/Low		Clos	•
Wer	816	827	820 S10	Atomio	Den, \$9.7	% pur!
Acy Jul	825 832	835 845	820 820 837 828	Cash	2390	
Sep	840	640	845 839	3 mont		_
Dec Mar	856 870	866 877	865 858 877 886		, Grade /	
Mey	900	890		Gesh 3 mont	1850 Na 1744	-1
Tumov	or: 4015 (7366) lots o	f 10 tonnes		US conta	
orice to	ndicator p or Jan 10:	irices (SOR 1061-83 (1	is per tonne). Delly 083.26):10 day aver-	Cash	5884	_
		1123.48 (113		5 mont		
COFFE	E £/tonne			Load (E	per tonn	a)
	Close	Provious	High/Low	Cash	303.5	-6.5
lan	1198	1185	1226 1190	3 mont		_
Vier	1181	1167	1215 1178	Mickel	2 bet jou	nej
May Ny	1158 1163	1142	1178 1150 1171 1100	Cost		0-700
Sop	1154	1148	1170 1155	5 mont		
Nov Jan	1150 1152	1150 1166	1166 1167 1170 1169	Cash	pecial His 1854	
		292) lots of		5 mont		
CO Inc	licator pr	toes (US o	ents per pound) for	_	per tone	
Jan 10:	Comp. 6 132.98 (deily 129.00 132.63).	(130.27); . 15 day	Cash	1646	_
				3 mont	1612	-5
	(S per to					
Renew	Close	Provious	High/Low	POTAT	DES EAUT	une .
Mar May	222,40	228.00 229.00	229.00 222.20 230.00 223.60		Close	Pren
Aug	218.20	224.00	224.00 219.20 220.20 215.00	Apr	49.0 73.5	50.0 75.4
Dec Dec	215,00 212,00	215.60	217.00 214.00	May	0.38	90.0
Mar	212,00	216.60 216.60	215.60	Nov Feb	62. 0	82.0
erbito	Close	Previous	High/Low		w 437 (81	
	266.00	271.00	271,00 266,00			
Mar	263.00	268.00	267,00 263.00	SUTAB	EAN NEA	_
May		265.00	267.00 266.00		Close	Pres
May Aug	263,50					173.
May Aug Oct Doc	263,50 265,00 255,00	261.50 259.00	260.00	Feb	172.00	175.
Mar May Aug Oct Doc Mar	263,50 265,00 255,00 263,00	261.50 259.00 258.00	267.00 267.00	Apr	173.00	175.0
May Aug Oct Doc Mar	263,50 265,00 255,00 263,00	261.50 259.00 258.00 4230 (2459)	260.00	Apr Ang	173.00 167.00 160.00	175. 170. 182.
May Aug Oct Doc Mar Turnovi White 1 Paris-	263.60 265.00 255.00 263.00 er: Raw 4 415 (2326 White (FF	261.50 259.00 258.00 4230 (2459)	267.00 267.00	Apr Ang	173.00	175.0 170.0 182.0
May Aug Oct Doc Mar Turnovi Milto 1 Paris- 1686, A	263.50 265.00 255.00 263.00 er: Raw 415 (2326 White (Ff ug 1675,	261.50 259.00 258.00 4230 (2459)). Fr per total Oct 1630, D	257.00 lots of 50 townes.	Apr Am Aug Turnove	173.00 167.00 160.00	175.0 170.0 182.0) iots
May Aug Oct Doc Mer Turnovi Whito 1 Paris- 1698. A LONDO	263.60 265.00 255.00 263.00 er: Flaw 4 415 (2326 White (FF ug 1875, or sherfall	281.50 259.00 259.00 4250 (2459)). Fr per torter Oct 1630, D	257.00 10ts of 50 townes. 10ts of 50 townes. 10ts of 50 townes. 10ts Mar 1688, May oc 1615, Mar 1595 ETHACED OFTICES alls Puts	Apr Am Aug Turnove	173.00 167.00 160.00 Ir 85 (400	175.0 170.0 182.0) iots
May Aug Oct Dec Mer Turnow Milto 1 Paris- 1666, A Longbo Alemaini	263,50 265,00 255,00 263,00 ar: Flaw 4 415 (2326 White (FF ug 1675, 1	281.50 259.00 259.00 4250 (2459)). Fr per torter Oct 1630, D	257.00 10ts of 50 townes. 10): Mar 1688, May oc 1615, Mar 1595 ETHACED OFTICES All Puts May May May May	Apr Jan Turnove	173.00 167.00 169.00 169.00 or 25 (400 CF PUTUR CHOSO 1639	175.0 170.0 182.0 182.0 183.0 Prev 1836
May Aug Oct Occ Mer Turnov Milto Paris- 1998. A LONGOO Alternini Strike p	263.60 265.00 255.00 263.00 er: Flaw 4 415 (2326 White (FF ug 1875, or sherfall	281.50 258.00 258.00 4230 (2459)). Fr per town Oct 1630, D EDCHANGE 44 C	257.00 10ts of 50 townee. 10ts of 50 townee. 10ts of 50 townee. 10ts of 50 townee. 10ts Mar 1688, May oc 1615, Mar 1585 10ts TRADED OFTOSE 11ts Puts 11th May May May 188 48 130	Apr Jun Aug Turnove FREIGH Jan Feb	173.00 167.00 167.00 169.00 or 85 (400 CF FUTUR Close 1639 1670	175.1 170.1 182.1 182.2 183.5 183.6 183.6 187.4
May Aug Oct Occ Mer Turnov Milto Paris- 1998. A LONGOO Alternini Strike p	263.60 265.00 255.00 263.00 er: Flaw 4 415 (2326 White (FF ug 1875, or sherfall	261.50 258.00 258.00 258.00 (2459) (). Fr per torin Cet 1630, D EDICHANGE (4) C	257.00 lots of 50 townes. e): Mar 1688, May oc 1615, Mar 1595 ETHACED OFTICES ells Puts May May May	Apr Jun Turnova FRESIGN Jan Feb Apr Jul	173.00 167.07 160.00 or 25 (400 or 25 (400 o	175.1 170.4 182.1 182.2 183.5 183.5 187.4 170.6 149.6
May Aug Oct Mer Turnovi Minto 1 Paris- 1606. A LONEDO Alternini Strike p 2250 2350 2450	263.60 265.00 255.00 263.00 er: Flaw 4 415 (2326 White (FF ug 1875, or sherfall	281.50 258.00 258.00 4230 (2459)). Fr per tovin Cet 1630, D EXCHANGE 44 C 170 179 74	257.00 lots of 50 tormes. e): Mar 1688, May oc 1615, Mar 1585 E TRADELD OFFICIES ells Puts May Mar May 198 48 130 151 87 180	Apr Jumove FREIGH Jan Feb Apr Jul Oct	173.00 167.00 169.00 or 85 (400 C7 FUTUR Close 1639 1670 1890 1491 1500	175.1 170.1 182.1 182.2 183.5 183.5 187.4 170.6 149.6 159.5
May Aug Oct Occ Mer Turnom Milto 1 Paris- 1666. A LONGOO Alumini Strike ; 2250 2350 2450 Copper	263.50 255.00 255.00 263.00 ar: Raw 415 (2325 White (FF ug 1675, M METAL turn (99.75	281.50 258.00 258.00 4230 (2459)). Fr per tovin Cet 1630, D EXCHANGE 44 C 0 170 179 74	290.00 257.00 lots of 50 townes. e): Mar 1688, May or 1615, Mar 1595 ETHACHE OFTICES ells Puts May Mar May 198 48 139 151 87 130 113 141 239 ells Puts	Apr Jun Turnova FRESIGN Jan Feb Apr Jul	173.00 167.07 160.00 or 25 (400 or 25 (400 o	175.0 177.0 182.0 182.0 183.5 187.6 183.6
May Aug Oct Oct Oct Oct Mar Turnovi Milito 1 Paris- 1468. A LONERO Alturalni Strika p 2250 2450 Copper 2900 3100	263.50 255.00 255.00 263.00 ar: Raw 415 (2325 White (FF ug 1675, M METAL turn (99.75	281.50 258.00 258.00 4230 (2459)). Fr per tovin Cet 1630, D EXCHANGE 44 C 170 179 74	290.00 257.00 lots of 50 townes. e): Mar 1688, May or 1615, Mar 1595 ETHADED OFTICES ells Puts May Mar May 198 48 139 151 87 139 113 141 239	Apr Jan FRESIGN Jan Feb Apr Jul Oct Jan BFI	173.00 167.00 167.00 169.00 pr 85 (400 CFUTUR CROSS 1639 1670 1680 1689	175.0 177.0 182.0 1836 1836 1874 1706 1895 1895 1890
May Aug Oct Oct Oct Oct Mar Turnovi Milito 1 Paris- 1468. A LONERO Alturalni Strika p 2250 2450 Copper 2900 3100	263.50 255.00 255.00 263.00 ar: Raw 415 (2325 White (FF ug 1675, M METAL turn (99.75	281.50 259.00 258.00 4230 (2459) 3-7 per torin Cet 1630, D EDICHANGE 170 179 74	267.00 267.00 lots of 50 tormes. 261 Mar 1688, Mayor 1615, Mar 1585 E TRADELD OFTICUES Ells Puts May Mar May 198 48 130 161 87 139 113 141 239 113 141 239 113 Puts Puts Puts 265 80 242 203 157 354	Apr June Jan Jan Feb Jul Oct Jan BPJ Turnow	173.00 167.00 160.00 160.00 160.00 1630 1630 1630 1630 1630 1639 1630 1630 1630 1630 1630 1630 1630 1630	175.0 177.0 182.0 1836 1836 1874 1706 1895 1895 1890
May Aug Oct Oct Oct Oct Mar Turnovi Milito 1 Paris- 1468. A LONERO Alturalni Strika p 2250 2450 Copper 2900 3100	283.50 285.00 255.00 255.00 253.00 415 [2326 White (FF up 1875, up 1875, white (99.7°	281.50 259.00 258.00 4230 (2459) 3-7 per torin Cet 1630, D EDICHANGE 170 179 74	267.00 267.00 lots of 50 tormes. 261 Mar 1688, Mayor 1615, Mar 1585 E TRADELD OFTICUES Ells Puts May Mar May 198 48 130 161 87 139 113 141 239 113 141 239 113 Puts Puts Puts 265 80 242 203 157 354	Apr June Turnove Jan Feb Apr Jul Oct Jan BPI Turnow	173.00 167.00 160.00 160.00 160.00 1639 1670 1689 1491 1689 1629 1620 1639 1620 1639 1620 1639 1620 1639 1620 1639 1630 1630 1630 1630 1630 1630 1630 1630	175.0 177.0 182.0 182.0 1836 1874 1796 1895 1895 1890
May Aug Oct	283.50 295.00 295.00 295.00 295.00 295.00 297.00 415 (2322) White (FF ung 1975, MI METAL une (99.75) Whoe 3 to	281.50 259.00 258.00 4230 (2459)). Fr per town Cet 1630, D EXCENASES 44 C nne Mar 170 179 74) C	290.00 257.00 lots of 50 townes. e): Mar 1688, May oc 1615, Mar 1585 ETHACEB OFFICIES alls Puts May Mar May 196 48 130 196 48 130 113 141 239 alls Puts 225 80 242 203 157 354 141 257 487	Apr Jurnove Turnove Jan Feb Apr Jul Oct Jan BFI Turnove GRAZHS	173.00 167.00 167.00 170.00 17 E5 (400 17 FUTUR 1639 1670 1689 1481 1589 1620 17 FUTUR 1689 1620 17 FUTUR 1689 1620 17 FUTUR 1689 1689 1689 1689 1689 1689 1689 1689	175.177.182.1 (1
May Aug Oct	283.50 285.00 255.00 255.00 255.00 255.00 255.00 415 (2326 White (FF up 1875, us sitts (99.7° Whoe 3 to	281.50 259.00 258.00 4230 (2459)). Fr per town Cet 1630, D EXCENABELL Maj C 170 119 74) C 340 220 133	257.00 lots of 50 townee. e): Mar 1688, May oc 1615, Mar 1585 ETRACED OFTICES ells Puts May May May May 198 48 130 151 87 139 113 141 259 ells Puts 255 80 242 203 157 354 141 257 487	Apr June Turnove Jan Feb Apr Jul Oct Jan BPI Turnow	173.00 167.00 160.00 160.00 160.00 1639 1670 1689 1491 1689 1629 1620 1639 1620 1639 1620 1639 1620 1639 1620 1639 1630 1630 1630 1630 1630 1630 1630 1630	175.170.1182.1182.1182.1182.1182.1182.1182.118
May Aug Oct	283.50 285.00 255.00 255.00 255.00 255.00 415 (2325 White (Fruit) (415 (2325 (415 (2325) (415	281.50 259.00 258.00 4230 (2459)). — Fr per town Cet 1630, D EDCCHAMBA 44 C 170 179 74) C 340 220 133	257.00 1ots of 50 townes. 1e): Mar 1688, May oc 1615, Mar 1585 ETRACED OFTICES alls Puts May May May May 198 48 130 151 87 130 151 87 130 113 141 239 alls Puts 255 80 242 203 157 354 141 287 487 It ahead at sharp rise was we who expected a rise of 5-8% can	Apr June Aug Turnove Jan Feb Apr Jul Oct Jan BFI Turnove Wheat Jan Mar Mar	173.00 167.00 167.00 170.00 170.00 170.00 1639 1670 1689 1689 1689 1689 1689 1689 1689 1689	176.1 170.1 182.1 182.1 183.5 187.6 183.5 187.6 183.5 189.5
May Aug Oct	283.50 285.00 255.00 255.00 253.00 253.00 415 (2325) White (Frugues) 415 (2325) White (Frugues) White (Fruges) White (Fruges) White (Fruges) White (Fruges) White (Fruges) White (Fruges) White (Fruges) White (Fruges) White (Fruges	281.50 259.00 259.00 4230 (2459) 3. Fr per town Cet 1630, D EXCENANCE 170 179 74 30 220 133 Includes learning as including as iron large as iron large as irongth in the rengit in the r	290.00 257.00 lots of 50 townes. e): Mar 1688, May oc 1615, Mar 1585 ETHACHE OFTICES ells Puts May May May 198 48 130 151 87 130 151	Apr Jan Turnove FREIGH Jan Jan BPI Turnove GRANS	173.00 167.00 167.00 17 25 (400 17 25 (400 17 25 (400 1639 1670 1689 1689 1680 1689 1680 1689 1680 1680 1680 1680 1680 1680 1680 1680	175.0 175.0 182.0 182.0 182.0 183.0 187.0 170.0 189.0

Cash							
3 month	2360 3 2345		2415-20 2360-5	2385/2375 2385/2325	2385-80 2340-5	2335-40	23,640
Copper,	Grade /	(2 per to	ma)	100		Ring to	rnover 48,350
Cesh 3 month	1850		1862-7 1782-8	1857/1848	1855-7 1754-6	1744-5	65,180 1
		Tine ounce					Surnover 50,0
Cash 5 month	588-6 s 602-5		589-92 602-6		585-6 596-601		449 lots
Leed (2	per tonn					Fling to	mover 10,950
Cash	303.5		384.5-5	305.5/385.2			
3 month			386-5.3	366/385	385-8.5	-	8,311 10
Cash	per lon	0-700	16700-900	16700/1630	0 16350-40		urnover 4,500
5 month			15800-80	15800/1545			6,595 to
Zinc, Sp	ecial His	di Grade (per tonne)			Ring t	urnover 4,125
Cesh	1654		1875-80	1680/1670	1675-60		0.000 144
5 mornih			1633-5		1650-5	1640-50	2,306 lo
Cash	1646		1958-60	1665/1650	1680-5	Harring St.	mover 23,575
S month			1803-8	1627/1610	1613-5	1616-6	11,460 k
POIAIG	Close	Previous	High/Low		Gold (fine or	ULLION BLASSIC	£ equivale
Feb	49.0	50.0		_	Close	4054-4044	226 4 - 226
Apr May	73.5 86.0	75.4	77.5 73.0 90.3 88.0		Opening	4024-4024	227 4-228
Nav	82.0	62.0	202 600		Marring fix Atternoon fix		227.004 225.282
Feb	92.0	80.0	-		Day's high Day's low	404 % 404 % 402 % 402 %	
			40 tonnes.				
SOYABE		L Channe					
	Close	Previous	High/Low		Colos	\$ price	eisviupe 2
Feb Apr	172.00	173.00 175.00	173.50 173		Manteleet	415-420	22212-2351
Am	167.00	170.00	159.50		Oritannia US Eagla	415-420	232 12 -235 1
Aug	160.00	182.00) iots of 2			Angel		
IUIUV	DO (100	7 IOS 01 2	N MANAGE.		Krugermend New Sov. Old Sov.	402 ½ -405 ½ 85-98 95-98	225 1 ₂ -227 1 55 1 ₄ -64 53 1 ₄ -64
			ex point		Noble Plat	531.1-538.95	296.9-304.9
PERCEN	PUTUR	es provinc	on pour				
PREFOR	Close	Previous	High/Low				
Jan	Giose 1639	Previous 1835	High/Low 1842 1836				
Jan Feb	1639 1670 1899	Previous 1836 1874 1706	1642 1695 1682 1663 1710 1690		Silver Mr	priine oz	
Jan Feb Apr	Glose 1639 1670 1690 1491	Previous 1836 1874 1706 1496	1542 1635 1532 1653 1710 1690 1500 1490		Spoi	333.05	590.90
Jan Feb Apr Jul Oct	Glose 1639 1670 1890 1491 1596 1689	Previous 1836 1874 1706	1642 1695 1682 1663 1710 1690		Spoi 3 months 5 months	383.05 343.70 354.25	590.90 604.50 618.40
Jan Feb Apr Jul Oct Jan BFI	Glose 1639 1670 1890 1491 1590 1629 1620	Previous 1835 1874 1706 1496 1595 1895 1804	1542 1635 1632 1653 5710 1690 1500 1490 1500		Spoi 3 months	333.05 343.70	580.90 604.50
Jan Feb Apr Jul Oct Jan BFI	Glose 1639 1670 1890 1491 1596 1689	Previous 1835 1874 1706 1496 1595 1895 1804	1542 1635 1632 1653 5710 1690 1500 1490 1500		Spoi 3 months 5 months	383.05 343.70 354.25	590.90 604.50 618.40
Jan Feb Apr Jul Oct Jan BFI Turnove	Close 1639 1670 1899 1491 1586 1589 1620	Previous 1835 1874 1706 1496 1595 1895 1804	1542 1635 1632 1653 5710 1690 1500 1490 1500	_	Spoil 3 months 5 months 12 months 12 months	333.05 343.70 354.25 376.30	580.80 804.50 618.40 650.10
Jan Feb Apr Jan BFI Turnove GRANS	Close 1639 1670 1599 1491 1596 1589 1620 816 (93	Previous 1835 1874 1706 1496 1595 1595 1604	1547/Low 1542 1635 1582 1683 1710 1690 1500 1490 1590 1590	=	Spoil 3 months 5 months 12 months 12 months	353.05 343.70 354.25 376.30 Vberrel	580.80 604.50 618.40 650.10
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Jan Feb Apr Jan Get Jan BFI Turnove GRAINS Wheat Jan Mar Mar May Jan Berley Jan	Glose 1639 1679 1679 1699 1699 1620 7 816 (93 2/tonne Close 112.30 118.40 120.00 105.00 106.00 Close Close Close	Previous 1836 1874 1706 1498 1895 1895 1804 09 112.40 115.30 118.45 120.00 105.00 Previous 110.60 111.35 120.00 110.60 111.35 120.00 105.00 105.00 111.35 120.00 105.00 105.00 105.00 111.35 120.00 105.00 10	1842 1635 1842 1635 1842 1635 1710 1660 1800 1490 1800 1690 1600 1899 112,75 112 115,65 115,112,75 118, 120,00 102,70 103,00 104,00 104,00 104,00 104,00 104,00 104,00 104,00 104,00 104,00 104,00 104,00 104,00 104,00 104,00	25 335 90	Spoil 3 months 3 months 12	333.05 345.77 354.25 375.30 Wherrel Close Previous 15.78 15.65 15.85 15.45 16.30 39 (3279) omne se Previous .00 160.25 .25 145.25 .00 139.50 .50 134.75	\$90.90 \$04.50 \$19.40 \$50.10 \$50.10 \$50.10 \$15.96

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ack	of buyin	ng anerg	y produc	ts forced
2850	line pric	es lowe	г.	
Ne	WY	ork		
COLL	100 troy	oz.; \$/truy	CZ.	
	Ctose	Previous		
Jan Feb	403.4	403.8 405.8	403.2	403.2 404.0
Mar	407.7	406.1	0	0
Apr Jun	410.6 415.7	411.0 416.1	411.9 416.8	408.4 414.6
Vug	421.1	421.5	421.5	420.8
Oct Dec	428.7 432.3	427.0 432.6	427.0 432.8	427.0 431.5
Feb	405.2	405.6	406.4	404.0
PLAT		ray oz; \$/tr		
	Close	Previous		
Jan	524,4 523.4	521.3	526.0	621.5
lor lui	521.9	520.1 516.5	527.8 524.5	519.0 519.0
Det	521.9	518.1 819.6	524.0	525.0 524.0
lan Vor	523.9 527.4	819.6 623.1	527.0 0	254.0
		by oz; cent		
	Close	Previous		
len	592.1	591.6	522.0	532.0
Feb	595.0	504.8	0	0
Mar Way	599.5 609.8	599.5 609.9	603.5 613.0	597.0 607.0
ius.	620.4	620.5	624.0	618.5
Sep	630.9	631.0	630.5	646.0
Dec Jen	646.4 650.S	646.5	649.6 Q	0
Mar	661.6	651.9	660.0	0.099
Мау	672.8	6728	0	0
20PP	ER 25,000	ibs; cents		
	Close	Previous	High/Lov	
len eb	144.55	144,78	145.00	144.40
Mar	134.55	134.70	135.90	194.30
	125.50	125.40	127.00	125.40
Agy	121.30	121,40	122.60	121.48
May Jul Seo	118.00	118.20	119.40	116.70

CALID	E OIL (LI)	hi) 42,000	US galls \$	/berrel	U	icag	ď
	Lutest	Previous	High/Lo	<u> </u>	SOYA	REANS 5	O
Feb	17.92	17.60	17.96	17.82		Close	Т
Mar Apr	17,21	17.03	17.24 16.87	17.12 16.74	Jan	797/4	-
May	16.55	16,47	16.65	16.53	Mar	809/6	
Aug Sep	16.21 16.18	16.18 16.72	16.31 16.27	16.21 16.18	May	618/6 825/0	
Oct	18.15	16.09	16.20	16.15	Aug	818/0	
EAT	NG OIL 4	2,000 US gr	As, cents	/US galls	Sep	774/2	
	Latest	Previous	High/Lo		Jan	751/0	
-	5355	5386	5436	5340	SOYA	BEAH OIL	
der	5065	5091	5140	5065		Close	-
yata. Abs.	4820 4686	4800 4542	4835 4585	4600 4570	Jan	22.46	-
kun	4485	4447	4500	4475	Mar	22.85	
lui Nuo	4435 4510	4397	4400 4510	4435 4610	May	23.38	
Oct	4600	4572	4580	4580	Aug	24.05	
fov	4606	4637	4695	4695	Зер	24.15	
2000	A 10 tonn	94;\$/tonne	ß.		Oct	24.17 24.35	
	Close	Previous	High/Los	w		DEAN ME	
Vier-	1841	1352	1368	1339		Close	
ley kul	1344	1359	1970	1341 1341	·	250.3	
Sep	1355	1364 1366	1369 1376	1365	Jan Mar	250.3	
Dec	1359	1378	1385	T365	May	258.4	
Asy	1387	1404	1307	1394	Jul Aug	256.0 250.0	
	E "C" 37	,500ibe; cer			Sep	240.0	
	Close	Previous	High/Lor		Oct Dec	229.5 223.0	
Agr	136.81	160.48	151.25	140.00		5,000 bu	
MEY	138.40	148.22	147,40	140.25			_
ep Sep	136.38 136.00	144.38	144.25	138.38	-	Close	_
)ac	133.98	142.00 139.98	142.00 139.25	136.00 136.25	May	205/6	
Agr.	132.50	136.50	0	0	Jul	296/0	
Asy	131.50	137.50	0	0	Sep	283/0 275/6	
-		*11* 112.0			Mar	282/2	
	Close	Previous	High/Los		May	284/6	
iter day	9.88	10.10	10.19	9.86	WHE/	T 5,000 b	u
lul 🗀	9.71	9.90	9.96	9.70		Close	
len	9.45 6.70	9.67 9.00	9.72	9.43	Mar	444/4	
Kar	9.23	9.45	9.40	0.23	May Jul	432/6	
day	9.16	9.50	<u> </u>		Sep	304/0	
ЮTTC		Other The			Dec	.408/4 412/0	
	Close	Previous	High/Lo		LIVE	LATTLE 4	n /
der dey	59.46 58.75	59.58 59.92	59.78 60.05	59.40		Close	-
lud `	59.60	59.80	50.05	59.70 59,60	Feb		_
Xct Xee	57.96 57.70	58.00	58.05	67.80	Apr	73.80 75.45	
ter	57.35	57.95 57.60	58.00 0	57.70 0	Jun	74.15	
lay	57.35	57,50	0	ā	Sap	71.92 71.80	
PAN	BE AUCE	15,000 lbs;	септь//ра		Oct	71.12	
	Close	Previous	High/Los		Dec	72.30	_
len	158.90	167.20	156.90	156.10	TIME	1008 30,0	10
der dey	153.25 152.50	153.30	153.70	152.90		Close	
lui Vii	152.40	152.85 152.40	152.95 152.50	152.45	Feb	45.42	_
iop	152.10	162.86	152.50	152.20	Apr Jun	44.57	
iov an	149.00	149.30 149.00	149.30	148.20	Jul	49.70 49.80	
ART	149.00	149.00	149.25 0	149.25 0	Aug	48.95	
ARY	149.00	149,00	Ö	ŏ	Oct Dec	45.18	
					Feb	46.85 46.40	
4401					PORK	BELLIES	2
REUT	ERS (Bo	e: Septem	ber 18 101	1 - 400	-	Close	_
	Jen 10	Jen 9	Property .	100)	Feb		_
	1965.4		union A	0 yr ago	Mar	41.95	
			1807,4	1764.1	May	44.12	
	PARCE 4		76 4894	100	Jul	45.45	
DOW	JONES (I	Janes Dec	31 18/4 A	100)			
Spot	141,91 98 144,95	142,10	135,99 140,94	131.65	Aug Feb Mar	44,77	



LONDON STOCK EXCHANGE

Equity undertone remains confident

ork cotto The London equity market finally ran out of steam yesterending five cons trading sessions of broad dvances. The background was an increasingly powerful mar-ket view that the two so-called consortium bids for GEC would not materialise in any realistic form and that the joint bid by GEC and West Germany's Siemens for Plessey would run into a referral to the Monopolies Commission and an inevi-table protracted investigation into the £1.7 bn offer.
At the close, the FT-SE 100share index, which has risen some 51.3 points since last Tuesday week, showed a fall of

tumour

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utures

Jan 26

But dealers and analysts were by no means dismayed by the halt to the market's progthe halt to the marker's prog-ress. "It's getting to the end of what has been an entirely sat-isfactory account from our point of view - excepting of course the job losses that now eem part of day-to-day life in the City. This marginal correc-

tion is no real problem: turn-over is picking up, and there are plenty of bids, actual or rumoured, flying about. Let's hope the new year carries on like this," was the specific mirroring a general view in the

Turnover yesterday, again substantially boosted by the major action in electronics, totalled 581.3m shares, well ahead on Tuesday's 566.9m and only slightly below Monday's There were a few tremors in the market as sterling moved sharply higher against most

Equity Shares Traded

Bid news yesterday included details of a 224m offer by a subsidiary of French oil group, Elf Aquitaine, for speciality paints company Johnstone Paints. And the property group London Shop auccumbed to leading currencies. The recently strong dollar came

under pressure after wide-spread intervention by many central banks, including the US Federal Reserve. Glaxo

proved vulnerable to currency considerations, but two strong

features emerged in the phar-maceuticals arena; Wellcome,

after a positive recommenda-tion issued by one of the top US securities houses, and Bee-cham, where a top UK broker-age put the stock on its buy

by some hefty selling orders ahead of expected bad publicity, via a television programme, detailing possible dangers to health from pre-packaged foods and meat and poultry products. But confec-tionary group Bassett saw its shares race ahead after a bid

approach.
George Wimpey. one of the UK'e leading housebuilders and construction groups, were among the market's strongest performers, amid hints that the Grove Charity Trust may be about to reduce its 35 per cent stake and that a bid for Wim-pey could now be on the cards.

Anglia Securities, a builder of protected housing for the elderly, climbed 10 to 395p on hid hopes, while Cakebread Robey rose 12 to 162p on news

that Firoka, a private com-pany, had acquired an option

over 29.8 per cent of its voting shares. Johnstone's Paints

advanced 14 to 220p after a £24.15m recommended bid by

Elf Aquitaine, the French gov-

ernment-controlled oil com-

pany.

British Telecom were one of

the best performing stocks in the electronics/telecoms sec-

tors with buyers said to be chasing the ahares after a well-received presentation to analysis and institutions in the

The presentation was hosted by BT itself. Hoare Govett, the securities bouse retains its pos-itive position on the stock and

is forecasting a rise in the

In a bigger-than-usual turn-over of 5.6m shares, Telecom gradually improved to end the session 4 higher at 267p.

The Foods sector came under

heavy selling pressure as spec-ulation swept the market that

a television programme to be screened tonight will reveal details that a poisonous bac-

teria may have infected meat products and some pre-pack-aged foods in a number of

supermarkets. One broking

honse, after talking with Thames TV, said that the series "This Week" had con-

ducted a survey of some super-

market groups and had claimed to have founds traces

Among those stocks market-

makers reported as unsettled

by news of the programme

of the damaging bacteria.

City of London.

share price to 300p.

FINANCIAL TIMES STOCK INDICES 1349.0 1928.2 49.4 (8/2/88) (16/7/87) (26/6/40) 1391.1 1514.7 312.5 160.7 734.7 43.5 (7/1/88) (3/1/89) (15/2/83) (26/10/71) Ord. Di. Yield Earning Yid %(full) P/E Ratio(Net)(*) SEAO Bargains(5pm) Equity Turnover(5m)† Equity Bargainst Shares Traded (mi)† S.E. ACTIVITY ●Opening ● 10 a.m. ● 11 a.m. ● 12 p.m. 1499.9 1499.2 1498.0 1498.2 DAY'S LOW 1496.6

DAY'S HIGH 1500.8

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, ANII 9.80 (Excluding internal inter

Late rush to buy **Plessey**

Tuesday week, showe a mere 1.9 at 1,834.1.

The GEC/Plessey battle erupted again late yesterday when the GEC/Siemens part-nership was thought to have moved back into the market to buy more shares in Plessey, via GEC's joint broker BZW. Turnover in Plessey, by the stan-dards of the past week or so a rather sedate 3.5m in mid-after noon, suddenly expanded and was finally 23m. It was thought that the joint bidders for Plessey had acquired perhaps as many as seven million more Plessey shares, thereby increasing their holding to around 2 per cent. Plessey shares closed a net % off at

225%p.
Dealers said the bnying activity took place at 225p a share, the level of the GEC/Siemens bid. It came after Plessey shares had dipped to around 224p amid market speculation that the GEC/Siemens bid was about to be referred to the Monopolies Commission.

GEC shares were given a severe buffeting all day, and retreated to close 7 down at 212 4p after it was revealed in some media reports that STC, widely tipped as one of the pos-sible participants in the consortium being assembled by Lazards, the merchant bank, was unlikely to. Turnover in GEC settled at 13m.

But STC shares were heavily bought after the reports and ended the session a net 6 higher at 268p with almost 3m shares traded.

Dramatic finish

noses of an unnamed white knight and a possible rival bidder Land & Property Trust. During a hectic day's trading, a massive 25m London Shop shares changed hands as Peel successfully persuaded shareholders to sell out at 340p, leaving it with 56 per cent of its prev.

prey.
The timetable of events went as follows: just after 11pm Land & Property Trust announced it would not launch a rival bid; Peel immediately went into the market for London Shop shares at 340p; at 12pm London Shop revealed it was in bid talks with a friendly was in bid take with a freshuly third party; at 2pm Peel said it had won control of its target; and just before 5pm London Shop announced the termination of third party talks and accepted defeat

The end result was that Peel had paid £308m for a company

Mr Graham M. Wallace has

been appointed finance direc-tor of the GRANADA GROUP.

He was director of corporate

previously sales director of Subaru (UK) and Isuzu (UK), both in the LM. GROUP, has

been appointed managing director of both companies

Mr Leslie Gunde has been

appointed head of business information at GKN, to provide

economic and market intelligence to the main board

Mr Chris Morley has joined

Mander Walsh) as merchandise

He was senior economist.

Europe and international

AGB PROLOG (formerly

director. He was with KB

policy division, CBL

Import and Export.

mr Edwin Swatman.

finance.

FT-A All-Share Index

500 300

it has been hunting since last November when it first took a stake in London Shop. The seal will be put on the deal when Peel's purchases have been verified by the receiving agent. At the close, London Shop were down 1% at 339p and Peel 7 easier at 287p. The identity of the mystery third party was not immediately revealed.

Norton conjecture

Norton Opax moved into the spotlight as the market speculated on the reasons for the sale of the 25.6 per cent share-holding held by Maxwell Commnnication Corporation (MCC). The latter claimed it was part of the group's dis-posal programme, but persis-tent support of Norton Opax shares yesterday suggested there could be other motives.

MCC plans a tender offer for the stake, which comprises ordinary and convertible shares, at a minimum price for the ordinary of 195p. The shares, 157p at the opening yesterday, quickly left that level behind as traders and investors reached their own conclusions. At the close, Norton Opax shares were 15 higher at 1720 and those of MCC 2 firmer at

Ms Angela Bawtree, sector researcher at Warburg Securi-ties, said this is a confusing in a dramatic finale Peel situation and several possibili-Holdings snatched control of ties arise. This could be a London Shop from under the noses of an unnamed white knight and a possible rivel had over by United Newspapers, and that if a buyer were to emerge, there would inevitably be speculation of the purchaser making a full offer. MCC is unlikely to bid in the event of an nnsuccessful anction, but its high valuation of Norton Opax should ensure further

200

tum in the shares, which after all could be the desired objec-Assorted speculation

The Foods sector once again provided the market with a bid story as shares in Bassett Foods, the confectionary group famous for its liquorice all-aorts and dolly mixtures sweets, soared on the news that the company had received

a bid approach. Several companies were immediately mentioned by dealers as possible predators. Hillsdown was regarded by the market as a good bet, said one analyst, because Bassetts would fit nicely alongside last year's acquisition, Jamesons Chocolates. Other names in the frame included Swiss giants Suchard and Nestlé, and, less predictably, Thorntons, the UK chocolate manufacturer. At the close Bassett was 101p higher at 400p and Thorntons 4 firmer

at 138p. Analysts' deliberations on the British Petroleum share deal with the Kuwait Investment Office (KIO) began to influence investors yesterday. A brisk business was trans-acted in both classes of stock with the old improving to 254p and the partly-paid moving 1½ higher to 151½p, amid respective turnovers of 4.2m and 6.4m

Greene King stood out in the Greene King stood out in the Brewing sector, closing 19 ahead at 468p. A dealer said that there was talk of a property revaluation by Greene King which would put a value of 800p on its shares. There was also a feeling in the market that if Elders failed to win Scottish and Newcastle it could Scottish and Newcastle it could turn to Greene King. Stories from Paris of possible resignations from the board of

interest and upward momen-**NEW HIGHS AND LOWS FOR 1988/89**

NEW HIGHE (88).
AREFRICANS (4), BANKS (3) Fuji Bank,
Mitsablah Bank, Sanwe Bank, SREWHER
(1) Marston Thompson, BULDINGS (3)
Galebreed Pobey 'A', Gibbs & Dandy,
Johnstones Paints, Newarthii, Wasta Bisks,
GHERICALS (1) Perstorp 'B', ELECTINGALS
(3) ASEA A8 'S', British Telecon, Conft.
Microwaws, Menvier-Swein, Prillips Lp.,
Polytechnic Beel, ENGINEERING (2)
Gamford Eng., Tyzask (W.A.), FOODS (3)
BSN, Banest Foods, Thompson,
BRUSTRIALS (8) Embart, Jardine Hidg.,
Jardine Stratopic, Solvietys Class 'A'.
Toothii (R.W.), Tams (4), HSURARCE (1)
Arrow, Inf. (1), LEISHRE (4) Castle
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NEW LOWS (32).

CAMADNAMS (1), BANKS (1) Union Discount, BUILLIMEDS (2) CURTON Phonelix, Harrison Inds., STORES (3) Geblock, Relect Shop, Sock Shop Int'L. ELECTRICALS (1) UCL. POODS (1) Leained Frozen, BUOGSTRAILS (4) Autent Associates, Hodgon, Kity Little, Security Archives, LESURE (2) H-Tec Sports. TVS Ent. 7.4pc Pt., PAPERS (3) FIRCH-PS. Do. Sp Cv 2007. Kolson, SPS Cansul., Sert Cowelle, PROPERTY (2) BDA. Rockfort, TEXTRES (1) Happas (1), TRUSTS (2), MINES (6), THERD BLABKET (1).

Luis Vuitton Moet Hennessy of Mr Alain Chevalier, an ally of Guinness, was bad news for the drinks group said one analyst. It suggested, he said, that Guinness were losing control of their joint stake in LMVH which it holds with Financière Agache the French holding company and might find itself ocked into a takeover. He said that would encourage Guinness shares to drift, a trend which would be strengthened because the company would soon enter the "close season" for buying back its shares. Yesterday Guinness fell 4 to 330p on volume of 12m of which at

bought by the company.
Kunick, the USM-quoted group, climbed 4 to 48%p following favourable comment on its annual figures released on

east 4m was said to have been

Tuesday. Stores were busily traded on news of downgradings and profits announcements. Body Shop led the way with better-than-expected interim profits of £9.3m. The shares initially gained 16 points, but as the market realised that the figures were only up to last Sep-tember, and therefore did not include the impact of higher interest rates or the affect of competition from Boots' new

range of health products, the price eased back to close at 512p, a net gain of just 3 pence. Another niche retailer, Sock Shop, disappointed with a 43.5 per cent jump in half yearly profits to £2.6m, and the shares fell 8 to 160p. Next slipped 2 to 133p as the company hosted a presentation in Leicestershire for City analysts. Mr Paul Smiddy of Kleinwort Benson said after meeting with Next that although he was keeping his forecast for 1988/9 profits at £70m, "the downside remained far greater than the upside."

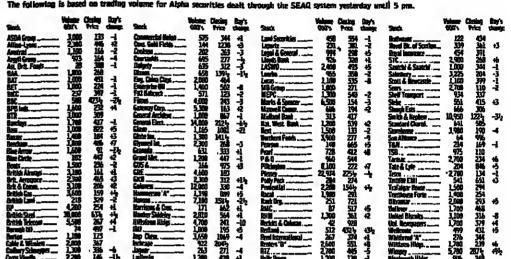
Smith & Nephew made early gains following a press report which predicted a dawn raid yesterday by Ciba Geigy, the Swiss pharmaceuticals group. When this failed to materialise the price fell to close down 3½ at 122½p on volume of 11m shares. A marketmaker said that some investors who had bought stock following a recent broker's bny recommen-

dation took their profits.

Beechams advanced 7 to 486p
on volume of 1.9m, helped by abuy recommendation from Hoare Govett. Dealers also said that demand had been encouraged by activity in the traded options market. Glaxo, how-ever, reacted 21 to 1081p on profit taking.
A renewed flurry of specula-

tion centred on George Wim-pey dragged the whole of the Building sector higher. Even atocks not regarded as hid can-didates benefited. Wimpey rose 91/2 to 2871/4p on tales that the Grove Trust was going to sell part of its 35 per cent bolding, a move which would put the company into play.

TRADING VOLUME IN MAJOR STOCKS



241p, Northern Foods, 9 easier at 287p on turnover of 4m shares, Argyll, 4 weaker at 164p, Sainsbury, 3 lower at 204p, and Dalgety, down 3 at

Southern Business Group, the photocopier and vending machine contractor, leapt 20 to 357p after reporting profits of £6.8m, well above City expectations of £6.2m.

The appointment of Dr Alan Watkins as chief executiveelect of Hawker Siddeley when Mr Bernard Bensly retires later this year was deemed good news. Dr Watkins is the moving force behind Lucas Industries' aerospace operations. and is largely responsible for the group's success in the US, according to Mr Robert Speed of Phillips & Drew, "Clearly

this a blow for Lucas but they

still have a strong team there." Hawker shares consolidated the recent gain at 564p, but those of Lucas fell to 530p before rallying to 535p, down 8 ERF, the commercial vehicle

manufacturer, dipped 21 to 395p following the call for fresh funds of £6.1m through a rights issue. An accompanying confident statement on prospects conpled with a final dividend

forecast failed to impress.

WPP, the advertising agency, reacted 7 to 572p on fears that the group may be contemplating further overseas expansion through the acquisition of the Ogilvy Group. The latter has responded strongly to takeover speculation this week in over-the-counter trading on Wall Street. International City Holdings

edged down to 64p before rebounding sharply to close 7 dearer on the day at 74p. A specialist trader dismissed the move, saying the demand represented little more than marketmakers "chasing their tails". Cl-Alexanders Laing & Cruickshank yesterday reiterated its view that the shares were overvalued on fundamental criteria, although there may be an element of takeover

speculation in the price. Traded Options enjoyed an average day, as a total of 34,793 contracts, of which 25,526 were calls and 9,267 puts, changed hands.

■ Other market statistics. including FT-Actuaries Share Index and London Traded Options, Page 28

BUSINESS LAW

Procedure for greater civil justice

By A.H. Hermann, Legal Correspondent

he Lord Chancellor wants to have a Government decision on legislation necessary for a reform of civil procedure before the summer recess of Parliament. Even if his proposals are published in early spring, there will be not much time left for comment and discussion. It would be a pity if the actual and potential users of legal services were caught

For this reason, it might be useful for the business commuuity not to wait until the paper, whether green or white, is out, but to give some thought to the main iseues One of the issues on the Lord

One of the issues on the Lord Chancellor's agenda is the revamping of pre-trial procedure. As 90 to 95 per cent of all disputes brought to court are settled without a trial, the rules of the pre-trial procedure are of the greatest possible importance. These determine to a large extent not only the cost and time necessary for cost and time necessary for resolving disputes, but also have certain characteristics more or less favouring a fair solution.

At present, judges or mas-ters of the High Court play only a very minor part in the pre-trial procedure. It is left to the parties – that is, as a rule, to their solicitors – to detarto their solicitors — to deter-mine the pace and the informa-tion made available to the other side. The result is that mental and financial stamina, rather than the legal merits of the case, mostly decide the ont-come. Any reform should aim not only at greater efficiency but also at a greater fairness in the pre-trial procedure.

The recommendation contained in the consultative document of the Review of Civil Justice, initiated by Lord Hailsham when he was Lord Chan-cellor, and the pronounce-ments of Lord Mackay, the present holder of that office, resect noties of that once, indicate a tendency towards a "cards on the table" pre-trial procedure. Parties should be given the right to demand from their opponents not only docu-ments relating to the dispute but also a list of witnesses to be called and a summary of the

expected testimony. Lord Mackay seems to be more ready than his predecessors to consider various forms of contingent fees - as used in Scotland, where there are no rules preventing lawyers from accepting cases "on speculation" and foregoing all fees in case of defeat. This would serve to identify more closely the interest of the lawyer with that of his "one-off" client - of great importance in the pretrial procedure taking place in solicitors' offices and without any judicial supervision over substantive matters.

Finally, there should be closer judicial supervision of the timetable. Some observers are quick to

point ont that such reforms would bring the UK procedure closer to the US system at a time when US opinion seems to be moving in favour of a more "English" eyetem. Manage-ments as well as some US law-year are meting investigat with yers are getting impatient with the excesses of US discovery and the costs, delays and demands on managerial time that go with it, often hitting third parties not involved in the litigation.

The US rules admit the discovery of evidence "relevant to the subject matter" — a mncb wider notion than issues in dispute — or "reasonably calculated to lead to discovery of admissible evidence". This means thet while in the UK one has to show a cause of one has to show a cause of action before demanding documents from the other party, in the US, litigation can be started by demanding from the other party evidence likely to lead to a cause of action - a procedure known as a "fishing expedition".

It seems to be true that development in the UK and in the US move in opposite direc-tions and closer together but at the present pace they are not likely to meet within the near future. Nor is there any great enthusiasm on either side that this should bappen within present lawyers' lifetimes.

In an excellent study comparing the UK and US method of pre-trial "discovery", Mr Jeremy G. Epstein* concludes that "the US still has the best, that "the US still has the best, and most elaborate, system of civil litigation that money can buy, and litigants seem happy to continue to pay for it... The English pay less, expect less, and get less. They do not buy litigation as an instrument of social change, but they also buy far less but they also buy far less

There is of course a fundamental difference between the UK and the US system. Without a written Constitution and an entrenched Bill of Rights, UK courts cannot overrule acts of Parliament as unconstitutional, though they have greater freedom in the field of common law. As the strata of society concerned with law expands and regulations prolif-erate, it is almost unavoidable that courts will be more fre-quently asked to decide social issues so far considered to be a preserve of Parliament or Government. One sign of this is the fast development of admin-istrative law – judicial review of decisions by central or local government or other public bodies. Another is the mount-

ing call for the entrenchment of the European Convention on Human Rights. Will the reform of pre-trial procedure as foreshadowed by the Civil Justice Review, make access to courts easier? One would hope that it will not be made as easy as the open door to litigation now offered in the US to anyone who wants to litigate even if he does not

know exactly what about. UK managements, which are used to leaving litigation to lawyers and continuing busi-ness as nenal, would be unpleasantly surprised if, sud-denly, they were required as individuals or members of the board to make numerous depo-sitions and to face a continuous demand for documents and threat of interlocutory actions concerning refusals of discov-

Compared with their overseas colleagues, UK lawyers play a slow and relatively less play a slow and relatively less expensive game of poker in the pre-trial period, keeping their cards close to their chests and giving the other party plenty of time to fear the worst and to consider the economic expense of trial. He economic expense consider the enormous expense of trial. By contrast, US lawyers demand documents by the
lorry-load and make tha pre
-trial procedure much more
expensive than the trial itself.
Both are convinced that their
method is the best way to setthing the disputs. In fact, the
rate of settlement of disputes
before they reach trial, seems
to be the same in both jurisdictions - 90-95 per cent.

One could say perhaps, that while the Americans pay more in terms of money for this result, the British pay the cost in terms of justice.

The British system of civil jnstice restricts access to courts, excluding the large and important section of popula-tion with middle income. The

high cost of the trial compared with the costs of the pre-trial procedure, and the risk of having to pay the costs of the defendant – only exceptional in the US – makes the plaintiff of limited means facing a financially strong company hesitate to let it come to trial where the merits of his case could be considered by an

impartial judge. A modest expansion of dis-covery, combined with greater emphasis on written proce-dure, would help a little, but would not remove this structural imbalance. There is no reason to fear that it would lead to the degree of litigious-ness cherished by the 600,000 US lawyers.

If the Government adopts some of the proposals already outlined in the review, it would bring more light into the pretrial procedure and, to that extent, replace the pre-trial game of poker by the rule of law. Some branches of the High Court, including the Commercial Court, already practice greater disclosure in the pre-trial period.

The reform as now proposed would not go so far as to authorise "fishing expeditions" and parties which are now obliged to exchange documents relating to the dispute could, in the future, ask for more only with the authorisation of the

The proposals of the review aim at strengthening the hand of the judge or the High Court master in procedural matters but EC pressures may sooner or later require an advance of the function of the UK judge to that performed by the judge in civil law jurisdictions where he can ask for evidence and call witnesses, and use his own knowledge of the law without being limited to propositions of law submitted by the parties.

As UK lawyers tend to ignore Community law - and UK managements are slow to take up the enforcement of EC rules of competition in UK courts — one can expect demands that UK indges should take the enforcement of Community law in hand.

And, of course, it would be a great thing if, as elsewhere, UK judges saw it as their principal duty to lead the parties to a fair settlement.

Jeremy G. Epstein, English Discovery: Simpler and Cheaper, The National Law Journal, Nov 28 1988, pp.17-19.

APPOINTMENTS

New chief executive for Hawker Siddeley HAWKER SIDDELEY, the UK valuable to Hawker Siddeley

engineering company, has appointed as its new chief executive and managing director Mr Alan Watkins, who is currently managing director of the aerospace division of Lucas Aerospace, another engineering group, writes Peter Marsh and Richard Tomkins. Mr Watkins, 50, is joining the board of Hawker Siddeley

in May. He will take over the ton lob at the company in June on the retirement of Mr Bob Bensly, the current chief exec-utive, who is retiring at the age of 65.

Mr Watkins joined Lucas in

1962 as a research metallurgist and has had a series of jobs in different divisions of the com-

pany.

His knowledge of the aerospace market is likely to prove

which is involved in this indus-try as part of its general thrust in selling a range of equipment in the engineering, instrumen-tation and controls sectors.

Mr Watkins's move will leave a gap at the top of Lucas. He has headed the aerospace division since 1982 and presided over a doubling of its sales from £271m to £531m in 1988, largely through a bold series of moves into the North American market.

Lucas nevertbeless viewed the loss philosophically yester-day. "It's always a shame to lose good people, but the fact that Alan Watkins was chosen is a tribute to the ontside world's view of the quality of Lucas's management, the

Renault UK managing director

RENAULT UK's financial financing requirements for director, Mr Christian Esteve, subsidiary companies in is to succeed Mr Loic Caperan as managing director. Mr Cappromoted to marketing direc-tor. Mr Esteve joined Renault

subsidiary companies in Europe and negotiated with Renault's principal bankers. In 1987 he became involved with eran is returning to Paris to become commercial director of Renault France, succeeding Mr Gny Bergaud who has been is holdings in that company promoted to marketing direc-tor. Mr Esteve joined Renault during negotiations with in 1984 when he co-ordinated Chrysler.



has been appointed chairman of the COMMONWEALTH DEVELOPMENT CORPORA-TION for three years from July 1 in succession to Lord Kindersley. Mr Leslie is deputy chair-man of Barclays Bank, chairman of the Export Guarantees Advisory Council and chair-man of the Overseas Develop-ment Institute.

Mr David Port has been appointed chief executive of BRITISH FUELS, Harrogate. He was finance director

■ Mr Peter Walker has been appointed chief engineer for the PORT OF FELIXSTOWE, a P&O Group company.

IRON TRADES INSURANCE GROUP has appointed Mr Robin Tebbs as reinsurance

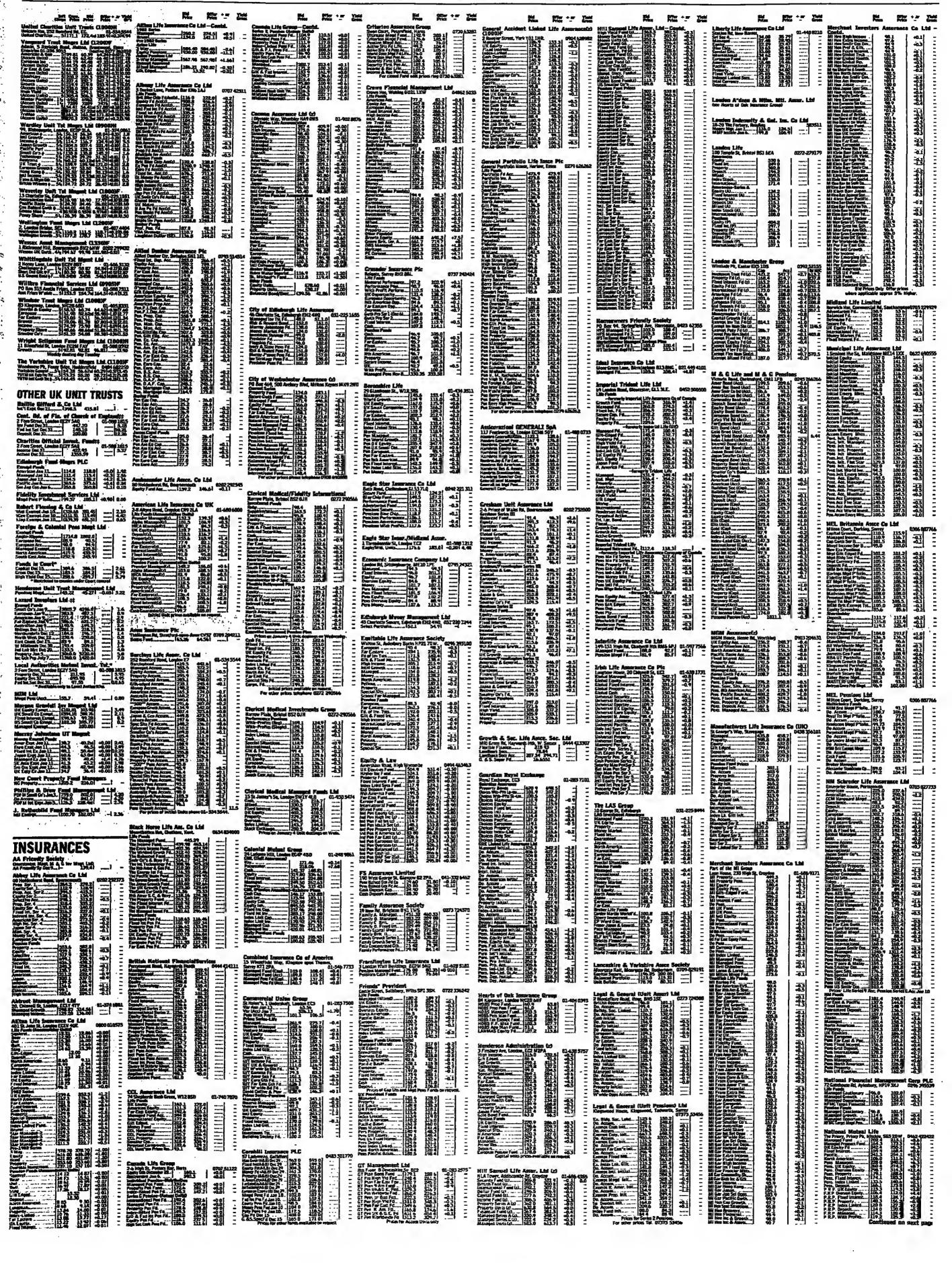
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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar retreats on intervention

THE FOREIGN exchange market backed away from a confrontation with central banks yesterday, taking the dollar down in spite of continuing strong continuous constinuous areas as a second of the continuing of the banks yesterday, taking the dollar down in spite of continu-ing strong sentiment surround-

ing the US currency.

The move out of the dollar and a lack of enthusiasm for the D-Mark increased demand for sterling, which rose to its highest level against the West German currency since July

Co-ordinated intervention by the central banks was regarded as a signal from the Group of Seven that the dollar's rise had gone far enough, leaving dealers to ponder whether the three-month peak of over DM1.84, touched early in Europe, remains a realistic target for further attack.

At the close of European trading the dollar had retreated to DM1.8285, from DM1.8360 on Tuesday. It had also falleu to Y126.10 from Y126.30; to SFr1.5560 from SFr1.5645; and to FFr6.2300

from FFr6.2550. On Bank of England figures, the dollar's exchange rate index fell to 66.4 from 66.5. The West German Bundesbank was the first central bank seen in the market yesterday.

2 1	N NEW Y	ORK
Jan.21	Latest	Previous Close
not	1.7830-1.7835 0.57-0.56pm	1.7645-1.765 0.60-0.58

STERLING INDEX 200 200 200 200 pm pm pm

CURRENCY RATES				
Jac.11	Bank rate %	Special* Drawing Rights	European Correscy Unit	
terting	50 11.70 7.75 7.75 7.75	0.750925 1.32711 1.59346 17.0281 50.7951 9.36674 2.42662	0.642298 1.13912 1.36831 14.6638 43.6367 8.05412 2.08367	

Greek Drack 20½ [rish Punt 20½ "All SDR rates are for Ja CURRENCY		173.077 0.778776
Deutsche Mark. 31-2 heth Gottder 4.5 Freuch Franc 91-2 Italian Lira 12-2 Japanese Yen. 22-2 Morway Krone 8 Spanish Pessaa 8-2 Swellsh Krona 8-2 Swellsh Krona 3-3-5	2.42662 2.73849 8.26524 1779.06 166.818 8.83855 151.698 8.28647 2.06963	2.08367 2.35262 7.10125 1526.70 143.893 7.59164 130.383 7.12686 1.77474
Austrian Sch. 4 Belgian Franz. 7.75 Banksh Krune 712	17.0281 50.7951 936674	14.6638 43.6367 8.05412
1.2000120 2 I I I I I	1.37340	1.30031

CURRENCY	MOVE	MENTS
Jan 11	Bank of England - Index	Morganos Guaranty Changes %
Sterling U.S. Dollar U.S. Dollar Canadian Dollar Austrian Schilling Bedgian Franc Danish Krone Deutsche Blark Swiss Franc Guilder French Franc Lira	98.0 66.4 100.9 106.6 105.8 103.7 112.7 108.2 109.9 98.8 97.5	-14.7 -11.8 -1.8 -1.2 -1.2 -1.2 +20.4 +17.5 +12.8 -15.9 -20.0 485.3

1985-1007-1	Rates are for Jan. 1	0.
OTHER	CURRE	NCIES
Jan.11	£	5

OTHE	R CURRE	NCIES
Jan.11	£	5
Argentina	29.5585 - 29 7180	16.5500 - 16.6300
Anstralia	2.0635 - 2.0660	1.1575 - 1.1585
Brazii	1474.85 - 1483.05	825.80 - 829.90
Finland	7.5370 - 7.5635	4.2210 - 4.2230
Greece	267.35 - 271.85 -	150.95 - 153.35
Hong Kong	13.9350 - 13.9480	7.8045 - 7.8065
Koren(Suh) Kuwait	122,75° 1200,05 - 1209,70 0,50750 - 0,50800	68.85° 681.20 - 686.80 0.28420 - 0.28430
Malaysia Mexico	68.05 - 66.15 4.8660 - 4.8805 4075.65 - 4095.80	38,20 - 38,30 2,7265 - 2,7285 2282,00 - 2292,00
N. Zealand	2.8130 · 2.8205	1.5785 - 1.5825
Saudi Ar	6.6480 · 6.7040	3.7505 - 3.7515
Singapore	3.4600 · 3.4675	1.9390 - 1.9410
S. Al (Dna)	4.2120 · 4.2245	2.3725 - 2.3755
S. Af (Fe)	7.0615 - 7.2040	3,9605 - 4,0405
Talwan	48 90 - 49.05	27,70 - 27,80
U.A.E	6.5590 - 6.5645	3,6725 - 3,6735

MONEY MARKETS

ments. There was also a rise in

the note circulation of £25m.

These were partly offset by Exchequer transactions which added £95m.

time. This was also around the time of the New York opening, and included dollar sales by

the US Federal Reserve. G7 central banks, including the Bank of England, Bank of Canada and Bank of Italy, were backed up by interveutiou from the Swiss, Austrian and Dutch mouetary authorities. Dealers in Paris said they did not detect any action by the Bank of France

Interest rate factors should continue to support the dollar, amid concern that strong US growth will increase inflation-ary pressure. Tomorrow's fig-ures on December US retail sales and producer prices may determine whether demand

continues. Mr Silas Keehn, Chicago Federal Reserve Bank president, said yesterday he saw worrying signs in the inflation trend, based on high levels of

capacity utilisation and current labour conditions. He added that the dollar, currently supported by higher short term rates, could fall by 5 to 7 p.c.

Sterling's immediate fate could be decided by comments expected from Mr Nigel Law-son, the Chancellor, in today's economic debate in the House of Commons. Mr Lawson's lack of concern at sterling's rise, when speaking to reporters yesterday, helped push the pound to a 2% year high of DM3.2575 from DM3.2375.

This was in spite of interven-tion by the Bank of England selling sterling against the D-Mark Dealers said the scale of intervention was small how-ever, estimated at only around

The pound also gained 1.70 cents to \$1.7810, and rose to Y224.50 from Y222.75; to SFr2.7700 from SFr2.7600; and to FFr11.0950 from FFr11.0325. According to the Bank of England, sterling's index rose

2	MS EURO	PEAN CU	RRENCY	UNIT	RATE	S
	En cests rati	Carrency automotis against Ec Jan LL	from	adis	change sted for ryence	Divergence limit %
Belgias Franc Danish Krone Berman D-Ma French Franc Detch Guilder Irish Punt	7.8 2.0 6.9 2.3 0.76	882 43.636 5212 8.6541 5853 2.0836 903 7.1032 (943 2.356 3411 0.77877 3.56 1526.7	2 +2.57 7 +1.22 5 +2.86 2 +1.43 6 +1.35	4444	+0.92 ±1.534 +0.71 ±1.540 +1.04 ±1.050 +1.03 ±1.501 -0.51 ±1.660 +1.74 ±4.075	
Thanges are i Adjustment o	for Ecu, therefore producted by Florance	isithe change denotes at Times.	a week carreity			
POU	ND SPOT	- FORWAR	ED AGAIN	IST T	HE PO	DNU
Jan.11	Day's spread	Close	Oue month	% p.a.	Three conths	P.A.
S letherlands.	1.7605 · 1.7886 2.1295 · 2.1425 3.664 · 3.684	1.7805 · 1.7815 2.1390 · 2.1400 3.674 · 3.684	0.57-0.54cpm 0.42-0.32cpm 2½-2½cpm	3.74 2.08 7.14	1.58-1.52 0.96-0.84 63-64	pm 1.70

Jan.11	Day's spread	Clase	One month	% p.a.	Three months	P.A.
US	67.90 - 68.35 12.54 - 12.60 \(\) 12.105 - 1.2185 \(\) 3.244 - 3.26 \(\) 264.75 - 267.10 \(\) 23.05 - 204.05 \(\) 2375 - 2387 \(\) 11.014 - 11.66 \(\) 11.094 - 11.14 \(\) 224 - 225\(\) 22.80 - 22.90	1.7805 · 1.7815 2.1390 · 2.1400 3.674 · 5.684 68.05 · 68.15 12.574 · 12.584 1.2165 · 12.173 3.254 · 3.64 203.55 · 304.05 203.55 · 304.05 203.54 · 204.05 203.54 · 11.00 11.124 · 11.15 11.124 · 11.15 11.124 · 11.15 224 · 225 22.85 · 22.90 2.764 · 2.774	0.57-0.54cpm 0.42-0.32cpm 24-24cpm 34-30cpm 53-54cpm 23-0.48cpm 25-11cpm 25-11cpm 25-11cpm 25-14cpm 14-14cpm 27-24cepm 13-125cpm 13-125cpm 13-125cpm	3.74 2.08 7.14 5.19 4.96 7.64 10.97 2.01 1.773 9.02 6.85 7.85	1.58-1.53pm 0.96-0.84pm 63-0.84pm 95-1.67pm 1.46-1.75pm 1.46-1.75pm 1.33-7.75pm 1.33-7.75pm 1.34-7.74pm 1.34-7.74pm 1.34-7.45pm 1.34-7.45pm 1.34-7.45pm	5.36 4.97 4.63 7.06 1.22 0.67 1.34 1.62
Belgian rate 4.68-4.58pm	s coovertible francs, f	inaucial franc 68.25	68.35 . Str-mouth	forward do	Mar 2.81-2.76cps	12 moeth
DOLL	AR SPOT-	FORWAR	D AGAIN	IST T	HE DOL	LAR_
Jan-12	Day's spread	Clase	Goe prooth	% 2.4	Three mouths	74 p.z.

Jan.12	Day's spread	Clase	One pte	mil 2.s.	Three months	76 p.z.
UKT	17665 17885 14956 14725 11975 12040 20515 20780 38.10 38.50 7.83 7.104 1870 1391 1390 113.60 113.60 113.7 1394 6.63 6.63 6.694 6.194 6.25 6.25 6.25 6.25 125.80 127.25	1,7805 1,78 1,4655 1,46 1,2004 2,00 2,0445 2,00 38,20 38,36 1,93 1,93 1,93 1	55 0.21-0.2 0.15-0.2 0.60-0.2 0.60-0.5 1.00-0.70 35 23-3 1.03-1.3 1.03-1.3 1.03-0.6 0.50-0.4 1.30-0.60 1.30-0.60 1.30-0.60	28cds -1.92 Bods -1.42 7cpan 1.48 50cpan 1.48 7rphon 3.8 80cds -2.6 80cds -2.6 90redls -2.5 13cpan 0.9 10redls -0.8 44ypat 5.2 9copan 2.86	0.524.6 0.520.9 176-1.77 19.00-16.00 1.67-1.67 60-111 80-8 7.50-9.3 1.47-1.37 1.47-1.37 1.10-1.60 1.20-9.00	citis -1.1 sais -1.1 lpm 3.3 lpm 1.1 lpm 1.1 lpm 3.5 lpm 3.0 los -2.2 los -2.2
* UK and bet	and are quoted in US rency. Belgian rate	is for connectable	premiums and frames, Figure	discounts apply a) franç 38,30	to the US dolla 38.40.	
	EURO-C	URREN	Y INT	EKEST	RATES	
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	EXC	HANGE	CROS	S RATE	\$	
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	EXCHANGE CROSS RATES											
Jan.21	٤	5	940	Yes	FFr.	S.Fr.	H FL	Lira	C 5	BF		
\$	0.561	1.781	3.258 1.829	2245 1261	11.095 6.230	2.770 1.555	3.678 2.065	2384. 1339	2.140 1.202	68. 38.		
VEN OM	0.307 4.454	0.547 7.933	1 1451	68.91 1000.	3.405 49.42	0.850 12.34	1129 16.38	73L7 10619	0.657 9.532	20,9 303		
F Fr. S Fr.	0.901 9.361	1.605 0.643	2.936 1.176	202.3 81.05	10. 4.005	2477	3.315 1.328	21.49 860.6	1.929	61.3 24.5		
H FI. Lira	0.272 0.419	0.484 0.747	0.886 1.367	61.04 94.17	3.017 4.654	0.753 1.162	1.563	648.2 1000.	0.582 0.898	18.5		
C S B Fr.	Q.467 1.468	0.832 2615	1.522 4.784	104.9 329.7	5.185 14.29	1.294	1.719 5.401	1114 3501	3.142	31.8		

A SHARP rise in the value of sterling failed to have much impact ou UK interest rates yesterday. With cousumar spending remaining high and inflation unlikely to have yet reached a peak, the market sees little chance of a reduction in base rates in the short term.

The morning of £216m through outright purchases of eligible bank bills. These comprised £174m in band 1, £15m in band 2, £10m in band 3 and £17m in band 4, all at unchanged rates.

A further revision took the forecast to a shortage of around £200m but there was no assistance during the after. A further revision took the forecast to a shortage of around £200m but there was no assistance during the after-However, sterling's performance has helped to minimise calls for a further rise. That said, many investors remain cautious. The current strength

noon.
In Frankfurt, the Bundesbank allocated DM13.5bn at its latest sale and repurchase tender. This matched a previous maturing facility. Traders had expected the Bundesbank to allocate a smaller amount, theraby tightening liquidity. of the pound is principally a by product of D-Mark weakness, and a poor string of eco-nomic data later this month UK clearing back base leading rate 13 per cent from November 25

UK rates steadier

allocate a smaller amount, theraby tightening liquidity supply and pushing domestic rates higher. Call money was quoted at 5.15 p.c. against 5.20 p.c. on Tuesday.

French intervention rates were left unchanged at a sale and repurchase auction held by the Bank of France yesterday. Although the French franc is currently firm against the D-Mark, tha Bank of France is wary of relaxing its tight hold on domestic interest rates, at least for the time being. The lack of pressure on the france is due to the recent rise in the US dollar against the D-Mark, a position which could quickly reverse sterling's gains. The key three month interbank rate was quoted at 13%-13% p.c., unchanged from Tuesday. The Bank of England fore-cast a shortage of around £300m. Factors affecting the market included a take up of Treasury bills and bills matur-ing in official hands together with repayment of any late assistance draining £314m. A further £75m was taken out of the system through maturing sale and repurchase agree-

rise in the US dollar against the D-Mark, a position which could easily be reversed.

The Swiss discount and Lombard rates may have to be increased, according to Mr. Hans Meyer, vice-president of the Swiss National Bank. Quoted by a Swiss news agency, he said that key lending rates were currently out of The forecast was revised to a shortage of around £250m, and the Bank gave assistance in ing rates were currently out of line with a recent firmer trend in money market rates.

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FINANCIAL FUTURES

Sterling prices move higher

SHORT STERLING futures finally broke through resistance at 87.18 in the March contract yesterday to finish at their best level for two weeks. Early trading adopted a slightly hesitant tone, touching 87.18 on two or three occasions without breaking through.

However, sterling's strong improvement, and comments by Mr Nigel Lawson, UK Chancellor of the Exchequer, that he is not worried about the

LIFFE \$/\$ OPTIONS \$25,000 (coats per \$1)

pound's latest rise against the D-Mark, helped to push values up to 87.20. This triggered some strong demand up to a high of 87.24, and the price closed at 87.23 against 87.12 on Tuesday. Trading volume in the March contract was respectable at just under 19,000 lots. Traders now identify fresh resistance levels at 87.28 and

lar's volatile movements.

Investors adopted a cautious

stance ahead of the US Trea-

sury seven-year note auction

due after the close of Liffe mar-

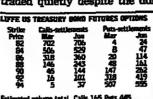
Elsewhere, UK gilt futures edged firmer, underpinned by sterling's rise. But the extent

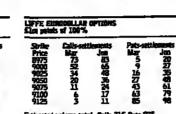
of the rise was muted. Fears about rising inflation were rekindled after the rejection of

a pay offer made to Jaguar car

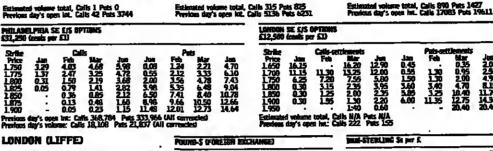
LIFFE SHORT STEPLEN

US Treasury bond futures traded quietly despite the dol-





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Jan. 89

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EUROPEAN OPTIONS EXCHANGE

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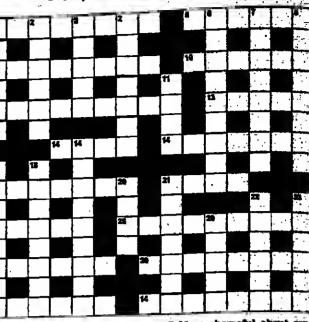
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CROSSWORD

No.6,832 Set by CINEPHILE



disagrement 1 Polite by (5,3)
5, 9 Protector of Catholic

gypsy, healthy after fruit (6.8) 10 Shelter for your head in a

squalid area (6)
12 Flower associated with tail,
bushy? (9)
13 I enter cleaning lady for job at university (5) 14 Repeat the chorus without much thrust (4)

16 Jazz musiciau and buff within call (7)
19, 21 Sinking ball abandoned in garden structure (7,4) Compass course has an odd

sound (5) Award includes coatin' for cake used as drug (9) Barbarian Alaric's categoris-ation as "Goth" for example 27 28 Bully for policeman walking on the front? (8)

29 Embargo on an article of fruit (6) 30 Break in hair style (8) 1 Hiding place for model with prestige (6) 2 it shrinks, wanting to live

(6) 3 Black look is reduced (5) 4 All Black losing head at

7 More shameful about con-vict - he comes from the country (8)

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this is what will stop it (8,5)

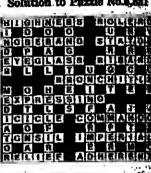
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nist joint? (8) 18 Old Italian version of Oss taurs (8)
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Solution to Puzzle No.6,831



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MONDAY, 3rd APRIL 1989

This survey will focus on the Swiss economy, politics, industry, exports and, last but not least, Switzerland's position with respect to the European Community."

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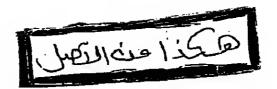
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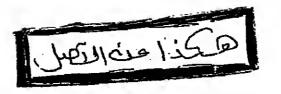
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FINANCIAL TIMES

AMERICA

Wariness about 2,200 level restrains Dow

Wall Street

THE psychological stranglebold on the equity market of the 2,200 level on the Dow Jones Industrial Average tight-ened yesterday, as once again stocks tried to surmount this obstacle and failed, writes

Janet Bush in New York.
This level, which has no technical significance, seems to have spooked the market. The Dow started on a rising note vesterday and was quoted at a morning high of just over 6 points up at exactly 2,200. It started slipping back almost immediately. By 2 pm, the index bovered virtually unchanged from Tuesday's close, 1.25 points higher at 2.194.46. Volume was relatively subdued at 95m shares. The equity market's new

year rally looks increasingly out of steam. There has been a

combination of favourable factors including a relatively sta-ble hood market, strong dollar in spite of central bank inter-vection and bealthy gains in stock markets overseas. Yet the US market has not been

able to benefit.

The longer the market fails to advance from current levels, the more technically weak it becomes. So far, although the rally has stalled, there has not been assignificant selling. beeo any significant selling

One drag on the market yesterday was the dollar, which fell after a round of concerted intervention by several central banks including the US Federal Reserve, the Bundesbank and the central banks of Britam, Switzerland, the Netberlands, Belgium and Italy. This is the first time this year that a large number of central banks have acted in concert. Currency policy within the

Group of Seven leading indus-trial nations is a major talking point, particularly in view of the visits to Washingtoo this week by Mr Nigel Lawson, UK Chancellor of tha Exchequer, and Mr Gerbard Stoltenberg, West Germany's Finance Minister. There appears to be a major effort within the G7 to dispel speculation of a policy rift between its members both through public comments and through co-ordinated interven-

Among featured stocks was Proctar & Gamble, which slumped \$1 to \$87% in spite of the announcement of an increase in its quarterly divi-dend to 30 cents a share from 70 cents. The reason was the news that the company had decided to strengthen its defences against any bostile takeover by establishing a \$1bo leveraged employee Stock option plan which would

increase the ESOP's stake in the company to 20 per cent heavy activity in the stock, from 14 per cent.

Millipore dropped \$2% to \$31%. The company said that it expected to report an increase in net sales in the fourth quarter of about 11 per cent, com-pared with analysts' estimates of 13 per cent to 15 per cent. Raychem also suffered from

earnings disappointment and the company's stock plunged \$4% to \$30% after news that it expected earnings for the second fiscal quarter to be signifi-cantly lower than a year ago. Phelps Dodge, in contrast, added \$% to \$52%. The com-

pany's chairman said the board

was considering raising its annual dividend of 40 cents a share and estimated that net income in 1988 had doubled Emery Air Freight moved \$% higher to \$6%. The com-

Sweden

1200

1000

SE Turnover (Kroner m)

trading after reporting net fis-cal fourth quarter earnings of 51 cents a share, down from 76

H.B. Fuller, a manufacturer

of industrial adhesives, fell \$% to \$26% in over-the-coonter

cents a year earlier.

Canada

RISING gold and base metal shares helped Toronto recover from early losses prompted by falling oil issues and make a modest advance by midsession.

The composite index, which had fallen about 4 points in earlier trading, rose 9.7 to

per cent as the Finance Minis-ter chose New Year's Eve to

announce a one-off tax of 15

per cent on corporate profits. The tax will hit companies that

derive most of their disclosed

profits in Sweden - for exam-ple, the banks - though ana-lysts warn that auto manufac-

turers like Saab-Scania and

However, the market was

quick to recover and by yester-

day bad risen about 1.8 per cent since the start of 1989 and

54 per cent since the start of

1988. Analysts predict a strong

market in January, hut expect

a fallback in the spring on eco-

nomic uncertainty.

Foreign investors are showing interest in the Swedish

blue chips, with Trelleborg, the industrial conglomerate, up 3

per cent yesterday as foreign-

ers saw extra potential in the

Volvo will also suffer.

Nikkei hits another peak after early profit-taking

BUOYANT demand won tha day, ovarcoming an initial move to take profits, and led share prices to another record high yesterday for the third consecutive session, writes Michiyo Nakamoto in Tokyo.

The Nikkei average began to slip soon after the opening, as besitation over dangeronsly high prices set in, moving to a low of 30,903.88. The correction was short-lived, however, and tha Nikkai recovered to a tha Nikkai recovered to a record close of 31,143.45, up

136.94, after peaking at a high for the day of 31,243.27. Broad-based buying saw advancing issues lead declin-ing ones by 585 to 333 while 164 issues were unchanged. Turn-over was still very strong at

1.52bn shares, though modestly lower than the 1.63bn traded on Tuesday.

The Topix index of all listed shares rose 14.35 to 2,442.10 and in London the ISE/Nikkei 50 to 2.52 t

index gained 1.04 to 2,002.13. Early profit-taking aet in early on the belief that the market had risen too quickly and was ready for a rest. Foraign buying cushloned the profit-taking, however, said Mr John Courtney, a salesman at W.I. Carr, adding that foreigners were now very bullish on the Japanese market.

Arbitrage by foreign securities firms, buying heavily into financial stocks, also helped push np the Nikkei average considerably.

The bullish sentiment that

supported the market's rise to record highs on Monday and Tuesday was still present, analysts said. "Fear of high share prices was, in tha end, overcome by strong buying demand," said Mr Mitsuru Maekawa of Jardine Fleming.

Institutional investors who had been raising their cash positions on the assump-tion that they would be able to huy chaaply when prices slumped after the Emperor's death - were so eager to buy that as soon as prices fell even modestly they could not keep still, said Mr Norio Watanabe, director at Cradit Suisse Investment Advisory Co.
Pharmaceuticals were widely

selected as underperforming blue chips and also on the strength of better earnings

prospects. Daitchi Seiyaku, 8
leading pharmaceutical company, gained Y90 to Y3,170.
Yamanonchi Pharmaceutical
rose Y70 to Y4,170, Takeda
Chemical added Y60 to Y2,820
and Dalnippon Pharmacy
advanced Y60 to Y2,410.
Financials maintained their
united with Nomure adding

uptrend, with Nomura adding Y90 to Y4,080 and Nikko rising Y80 to Y2,130 among securities. The Industrial Bank of Japan and Dal-ichi Kangyo Bank, Japan's largest city bank, both advanced Y100 to Y4,470 and

Y3.500 respectively.
Textiles were popular as laggards and on expectations that they would report better earnthey would report better earnings. There were attempts to link them to the defence theme as well, on the grounds that some make carbon fibre synthetics used for wing tips. Toho Rayon rose Y76 to Y945.

I watsn Electric, leading maker of telephones for Nippon Telegraph and Telephone

pon Telegraph and Telephone, the telecommunications giant, picked up Y110 to Y1,250 on speculation that the company would redevelop some of its

property. Large capital steels and ship-buildings were mixed. Kawasaki Heavy Industriea, the most actively traded at 60.3m shares, gained Y16 to Y968 while Mitsnbishi Heavy Industries, second in volume terms at 55m sbsres, closed

unchanged at Y1,110. Broad-based huying lifted share prices in Osaka where the OSE average closed above 29,000 for the first time, at 29,161.56, up 221.29. Volume of 148.2m shares was substantial, though lower than the 191.7m traded on Tuesday. Iwatsu Electric gained Y180 to Y1,240 and Osaka Gas rose Y28 to

Roundup

THE BEST performer in lead-

much of it from Europe.

The Hang Seng index climbed 40.14 to 2,872.52 to its third post-crash high in a row, and turnover edged up from Monday's heavy HK\$1.71bn to HK\$1.87bn.

The more broadly based

The more broadly based Hong Kong index improved 24.95 to 1.894.33. 24.95 to 1,894.23.
Utilities showed the biggest gains, with China Light rising 70 cents to HK\$14.70 and Hongkong Telecom up 25 cents at HK\$5.25. Banks did well, with Hongkong Pank the mach Hongkong Bank the most active stock, climbing 15 cents to HK\$6.70 on 14m shares

Some properties picked up interest in the afternoon, with Sun Hung Kai up 20 cents at HK\$13.90. Hongkong Land, however, lost 5 cents to HK\$9.80.

AUSTRALIA failed to pursue the gains of the last four days and eased back in the wake of losses on Wall Street and weaker metal prices. The All Ordinaries index shed 2.4 to 1,499.4 and turnover fell to a thin 72m sbares, worth A\$141m.

Most price movements were narrow. ANZ bank was again the most active stock, easing 2 cents to A\$5.40 on 3.13m shares, while National Austra-lia Bank rose 2 cents to A\$6.30. Retailer David Jones dropped 20 cents to A\$7.80 after rising 40 cents on Tuesday. BHP was active, ending steady

Golds were mixed, with Kidston up 2 cents at A\$2.52 and Placer Pacific off 7 cents at

SINGAPORE managed to recoup early losses as profittaking took prices to lower levels, prompting buying, and the Straits Times industrial index closed 2.09 points higher at 1,085.59.

Institutions focused on industrial, property and ship-yard stocks, and thrnover slipped to 51.3m shares from 64.2m on Tuesday. Far East Levingston, a

marine stock, was the session's most active, with 2m shares traded, rising 11 cents to TAIWAN racked up its large

ing Asia Pacific markets was again Hong Kong, which shadowed Tokyo's third consecutive peak. Singapore crept higher and Taiwan was up strongly, while Australia sank back into apathy. HONG KONG has another

powerful day, with gains in the US dollar sending stocks up strongly in the afternoon on local and overseas bnying, to 5,662.06.

est gain of the year, with the weighted index climbing 198.2

Stockholm gives budget a record welcome

The decision to abolish exchange controls has benefited equities, writes Sara Webb

HE Stockholm bonrse rose for the third day running yesterday as the market continued to show approval of the Finance Minister's budget - presented on Tuesday but leaked in considerable detail at the weekend. The Veckans Affarer total index scored another all-time high, inching up 2.5 to 1,276.7, and the Affarsyarlden index rose 1.8 to a record 1,033.0. Turnover reached 387m, down on Tuesday's high volume. The main reason for the rise

stems from the Government's decision to abolish all remaining exchange controls, allowing Swedes to invest in foreign securities and open bank accounts abroad while foreign-

ers would be allowed to buy Swedish government bonds. There was some disappointment - which showed up in a slow market yesterday morn-

bourses yesterday was con-

fined largely to takeover plays, although Madrid showed some

welcoms signs of activity, writes Our Markets Staff.

PARIS saw further consoli-

dation - described by one analyst as "healthy" - as LVMH remained in the headlines on

strengthening reports that its

Alain Chevaliar would quit

LVMH within the next week kept the market busy anticipat-

ing what would happen to the

huxury goods group, which yes-terday added FFr44 to FFr3,884.

Interest is focusing on whether

Moulinex was strong after

it will be broken up and bow.

news that domestic household

goods sales, covering white

and brown goods, had risen by 10 per cent last year. The stock

rose FFr4 to FFr117, with

Trading was suspended in

The CAC General index lost

holding company Cerus and financial group Dumenii Leble amid expectations that the for-mer would bid for the latter.

2.3 to 434.1 and the OMF 50

index was quoted at 449.89,

after 454.17 on Monday. It was

unavailable on Tuesday.

MILAN ended virtnally

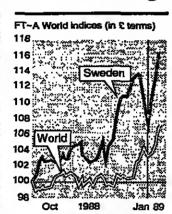
unchanged but the Comit index beld above 600, adding

just 0.01 to 600.38, with a num-

ber of conflicting corporate forces at plsy. Volume was said to be similar to Tuesday's

148,600 shares dealt.

chairman would soon leave. The expectation that Mr



specific timetable for the changes was given. Mr Kjell-O-lof Feldt, the Finance Minister, remained vague on the question, though the market hopes to see the lifting of exchange controls by the end of 1989.

Cofide, the holding group for

Mr Carlo De Benedetti's inter-ests, saw its savings shares

rise L150 to L1,895, and some

other stocks in his group were also firm. There were sugges-

tions the gains were linked to

the suspension in Paris of Cérus, the De Benedetti hold-

ing company in France, and

ket will be made in London for

the first time on Monday showed movements attributed

partly to position taking by the firms that will be dealing in

them. Ferruzzi rose L67 to

L3.032 and Benetton added

L149 to L10,750 before climbing

to L10,900 after bours. Generali, on the other hand, shed

Insurer Ras, which climbed L190 on Tuesday on news of its

scrip and bonus issues, shed

sion with only narrow move-ments in most blue chips, but

the indices managed small gains despite continued profit-

taking in some stocks.

The FAZ index was up 1.83 at 562.78 and the DAX index

edged up 7.51 to 1,353.42. Turnover was a quiet DM3.37bn.
After a very strong start to
the year, many domestic institutions had made the invest-

ments they wanted and were taking a breatber, said one

FRANKFURT had a dull ses-

Some stocks in which a mar-

Dumenil Leblé.

L115 to L44,180.

L450 to L44.350

Spotlight fixes on takeover plays

on the news, though most analysts expect to see them creep up again in the near future. They also believe the deregula-tion will serve to stimulate interest again in the stock market in the long term.

Stockbolm's usual problem is that of surplus liquidity. The mutual funds, wage-earner funds and insurance companies are flush with money and are committed to investing some of it in the stock market. "At the moment, no one dares sit on the sidelines," said one hroker at Jacobson & Ponsbach, "Everyone has to be in the market."

As the opportunities for investing abroad have so far been limited to Skr3bn in foreign equitles, this has not taken pressure off the Stockholm exchange and has helped to push the index up and up. Yet even when the regulations are relaxed completely,

the parallel weakness of the

D-Mark began to raise concern

that domestic interest rates

might again have to be raised.

DM4.20 to DM308 on the second most active trading worth DM250m and Bayer added DM2

to DM308.50. There were rumours that a joint Hoechst-

Bayer venture had found a

Thyssen was up 70 pfg at DM190.50 after its Tbyssen Stahl unit reported a DM342m

treatment for the Aids virus.

profit last year compared with a loss of DM209m in 1986/87.

DM225.20 after saying it would hold its dividend at DM8 on

slightly lower group net profits

of DM766m in 1988 compared to DM779m the previous year. BRUSSELS was led higher

by the steel sector in bosy trading, with the casb index

advancing 38.2 to another all-time peak of 5.654.3. Cocker-ill gained BFr5 to BFr350 on

turnover of 109,000 shares. Arbed rose BFr190 to BFr4,390

and Clabecq BFr50 to BFr1,800. Wagon5-Lits, the tonrism

group, rose BFr150 to BFr7,800

amid speculation that Sodexho, the Freoch restaurant grouup,

had taken s 15 per cent stake.

MADRID gained ground as investors moved back into the

market after the long holiday period, boosting volumes and

Utility RWE rose DM3.70 to

In chemicals, Hoechst rose

Oct88 Swedish brokers doubt that

there will he a mad rush into foreign equitles, thinking investors will stay in the market they are familiar with. This year began on a bad note. After 8 7 per cent rise in the index during December,

day's Pta 7bn, after levels around Pta 5bn last week. One analyst said many people had

extended their new year holi-days to last weekend's Epiph-any holiday and were now

returning to the market. But

any optimism was still clouded by worries over interest rates

and ongoing union/government

wage negotiations. In insurances, Mapfre rose 50

points to 1,400 of par and Fenix

climbed 110 to 2,450. Tabacatera, which underperformed in the latter half of last year, put on 29 to 700 amid continuing

positive news for the company.
ZURICH was weakened ini-

tially by the increase in domes-tic bank time deposit rates to 4% per cent, a rise of % point,

but managed to claw back losses by the finish. Attention focused on bearer shares after

a spell of interest in participation certificates. The Crédit Suisse index ended 1.1 higher

Ciba Geigy, declining to com-

ment on rumours it was inter-ested in bidding for Britain's Smith and Nephew, saw its bearers rise SFr50 to SFr2.900. AMSTERDAM was quiet,

ending slightly easier on fur-ther profit-taking, with the CBS tendency index off 0.4 at

Unilever, which had traded

lower, picked up in late trade on US demand based on its takeover talks with Faberge. It

added 20 cents to Fl 120.40.

SOUTH AFRICA

company's mines.

MOST sectors were steady to firmer in Johannesburg yester-day, although gold shares closed mixed after some light

profit-taking.
Ofsil slipped 50 cents to
R70.50 while Vaal Reefs rose R3.60 to R268.60.

Tender Offer

Smith New Court Corporate Finance Limited

on behalf of

Bishopsgate Investment Trust plc

to sell 33,666,608 Ordinary Shares and 11,471,461 Convertible Preference Shares of

Norton Opax plc

at a minimum tender price of 195p per Ordinary Share and 103p per Convertible Preference Share

Tender Offer in respect of 33,666,608 Ordinary Shares of 10p each and 11,471,461 5.25 per cent. Convertible Cumulative Redeemable Preference Shares of £1 each in Norton Opax plc ("Norton Opax") ("the Tender Offer"). Smith New Court Corporate Finance Limited ("Smith New Court"), on behalf of Bishopagate investment Trust pic ("Bishopagate"), hereby invites, subject to the following terms and conditions, tenders for the purchase of 33,683,683 Ordinary Shares of 10p each in Norton Opex ("the Norton Opex Ordinary Shares") representing approximately 23.5 per cent. of the current issued ordinary share capital of Norton Opex and 11,471,461 5.25 per cent. Convertible Countering Referentials Preference Shares of \$1 each ("the issued ordinary share capital of Norton Opex and 11.74 of £1 each ("the Convertible Cumulative Redeemable Preference Shares of £1 each ("the Norton Opex Convertible Preference Shares") representing approximately of the current issued convertible preference share capital of 24.2 per cent. of the current issued convertible preference share capital of Norton Opex. Bishopsate is a wholly owned subaidary of Maxwell Communications Corporation PLC ("Mexwell Communications"), Tenders must comprise offers for both classes of share.

Tenders must be for exactly 33,656,608 Norton Opex Ordinary Shares at the same price per share for all such shares and 11.471.481 Notan Opax the same price per share for all such shares and 11.471.481 Notan Opax Convertible Preference Shares at the same price for all such shares and must be expressed in starting as a whole number of pence per share. Samp duty and/or stamp duty reserve tax will be payable by the purchaser.

The minimum tender price shall be 183p for each Norton Opex Ordinary Share and 103p for each Norton Opex Convertible Prefer-

Tenders must be received by 11.00 a.m. on Friday, 30th Jamery, 1989 and must be made on the tender form referred to below. Tenders once made will be irrevocable.

By submitting a tender, a person tendering will offer to purchase, at the prices stated in such tender, all the 33,666,606 Nozton Opax Ordinary by stamming a tencier, a person rendering will diserve to purchase, at the prices stated in such tender, all the 32,898,600 Norton Opax Critinary Shares and 11,471,481 Norton Opax Convertible Preference Shares on the terms of this Tender Offer and any contract resulting from the acceptance of that tender will be governed by and construed in accordance with English law.

Smith New Court reserves the right to reject any tender not complying in all respects with the requirements of this Tender Offer. Tenders will be opened in the presence of independent scrutineers at 11.00 a.m. on Friday, 20th January, 1889.

Subject to paragraph 9, the tender giving the highest aggregate price will be accepted at that price. If more than one valid lender at that aggregate price is made, Smith New Court shall have absolute discretion either in decide which of such tenders to accept or to invite those parties to increase the aggregrate price at which they are

Where a tender is accepted, completion in respect of the sale of the Norton Opex Ordinary Shares and the Norton Opex Convertible Preference Shares resulting therefrom will be effected at the offices of Smith New Court referred to below at 1.30 p.m. on Friday, 20th January, 1990. The Norton Opex Ordinary Shares and the Norton Opex Convertible Preference Shares will be sold free from all lieus, charges and encumbrances and with all rights attaching thereto, including the right to receive all dividends and other distributions declared, made or paid

The right is reserved (at the option of Bishopagate) to terminate this Tender Offer and to reject all tenders (but not some only) in the event that, at any time at or before 11.00 a.m. on Friday, 20th January, 1989 a

public announcement is made by a third party or Norton Opex of either the acquisition of more than 5 per cent. of the issued ordinary share capital or the preference share capital of Norton Opex or of an intention by a third party to make, or of discussions which may lead to, an offer to acquire the whole or any part of the share capital of Norton Opex or an intention by Norton Opex, to make, or of discussions which may lead to, an offer to acquire the whole or any part of the share capital of any other company, in either case by way of offer, partial offer or tender offer under the provisions of The City Code on Talcovers and Mergers and/or The Rules Governing Substantial Acquisitions of Shares.

and/or The Rules Governing Substantial Acquisitions of Shares.

No person receiving this Tender Offer and/or a tender form in any territory other than the United Kingdom may treat the same as constituting an invitation to him not should he in any event use such tender form, unless to the relevant territory such invitation could lawfully be made to him and such tender form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to tender to satisfy himself as to full observance of the laws of the relevant territory in connection therewith including obtaining any requisite governmental or other consents or observing any other formalities needing to be observed in such territory.

Tenders which are made subject to any condition or other terms (other than price) will be disqualified.

The procedure for tendering and the terms and conditions set out in the tender form referred to below form part of these terms and conditions.

Tenders must be made on tender forms obtainable (during normal business hours on any business day up to and including Thursday, 19th January, 1989) from Smith New Court Corporate Finance Limited, 24 St Swithin's Lane, London EC4N SAE Tender forms will only be made available to persons who fall within Article 9(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1988. These forms, duly completed in accordance with the instructions thereon and accompanied by a banker's draft, must be delivered to Smith New Court at the above address not later than 11.00 a.m. on Friday, 20th January, 1989.

Neither Mexwell Communications nor any of its subsidiaries in interested in any Ordinary Shares or Convertible Preference Shares of Norton Opex awa for the Norton Opex Codinary Shares and Norton Opex Convertible Preference Shares held by its wholly owned subsidiary, Bishopsgate, which are the subject of the Tender Offer.

Smith New Court is registered in England No. 2013023 and its registered office is at 245t Swithin's Lane, London EC4N 8AE. Maxwell Communications is registered in England No. 289453 and its registered office is Headington Hill Hall, Oxford OX3 0BW. Bishopsgate is registered in England No. 2077536 and its registered office is Headington Hill Hall, Oxford OX3 0BW.

Smith New Court, a member of The Securities Association and The International Stock Exchange, has arranged the Tender Offer and has approved this advertisement for the purposes of Section 57 of the Financial Services Act 1988.

This advertisement does not and is not intraded to constitute an offer or invitation to acquire otherwise than pursuant to the Tender Offer, or in subscribe for, securities in Norton Oper.

sending share prices up by a larger amount than expected. The general index added 1.84 to 276.19 and turnover was estianalyst. Also, the strong dollar had appeared attractive until FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	TUESDAY JANUARY 10 1989				MONDAY JANUARY 9 1989			DOLLAR INCEX				
Figures In parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Oiv. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988/89 High	1988/89 Low	Year ago (approx)	
Australia (90) Austria (18) Belgium (63) Canada (126) Oenmark (39) Finland (26) France (131) West Germany (102) Hong Kong (46) Ireland (18) Italy (98) Japan (456) Malaysia (36) Mexico (13) Netherland (38) New Zealand (25) Norway (26) South Africa (60) South Africa (60) Spain (42) Sweden (35) Switzerland (57)	157.17 127.67 115.52 86.73 118.26 125.00 84.21 195.51 148.57 159.72 110.63 69.92 150.47 132.45 116.89 145.88 77.41 135.02	+152 +0.65 +0.65 +0.65 +0.65 +1.10 +0.65 +1.10 +	124.56 79.40 107.87 132.09 107.30 97.09 72.98 105.05 70.77 124.87 124.87 124.83 122.63 111.32 98.24 122.63 122.61 113.48	113.65 89.57 125.64 111.47 151.40 113.52 113.35 82.78 118.52 120.47 84.52 156.69 156.09 156.01 104.77 58.68 118.44 102.21 126.89 135.30 75.08 113.48	4.72 2.75 4.00 3.27 2.00 1.54 2.84 4.16 4.18 2.73 1.28 4.71 6.67 1.25 4.52 2.21 2.25 4.76	146.06 94.62 131.76 128.53 157.93 126.35 116.22 88.01 116.74 127.19 84.22 192.92 147.21 160.58 111.85 68.93 130.75 115.35 146.37 144.57 78.02	122.79 79.557 108.06 136.722 97.71 98.14 106.93 70.80 162.19 123.76 94.03 57.95 124.54 109.92 94.03 123.05 123.54 123.05 123.05 123.05	112.59 89.62 125.10 111.41 151.60 112.35 113.58 83.64 117.03 124.30 154.20 154.88 401.88 105.34 57.66 117.04 100.86 126.91 133.87 75.31	152.31 100.00 139.89 128.91 161.60 139.83 117.51 90.40 118.26 144.25 86.88 195.51 154.17 182.24 113.49 84.05 135.89 137.07 145.88 86.75 141.51	91.16 83.72 99.14 107.06 111.42 106.78 72.77 67.78 84.90 104.60 107.83 90.07 95.23 63.32 97.99 98.25 97.99 98.26 130.73 96.92 130.73 96.92 130.73 96.92 130.73 120.66	99.31 94.31 102.72 110.79 114.96 111.00 82.77 73.10 93.49 109.97 75.78 140.61 116.22 94.64 97.27 78.81 101.55 132.87 132.54 99.23 199.23 130.75	
USA (572)	114.18	-0.2	95.97	114.18	3.65	114.42	96.19	114.42	115.55	99.19	100.00	
Europe (1010) Nordic (126) Pacific Basin (679) Euro-Pacific (1689) North America (698) Europe Ex. UK (693) Pacific Ex. Japan (223) World Ex. US (1888) World Ex. UK (2143) World Ex. So. Af. (2400) World Ex. Japan (2004)	113.89 140.98 190.40 159.75 114.94 100.48 129.29 158.23 141.97 141.48 115.22	-0.3 +0.5 +1.3 +0.9 -0.2 -0.7 +1.4 +0.6 +0.6 +0.5	95.72 118.49 160.03 134.26 96.61 84.45 108.67 132.99 119.32 118.91 96.84	102.75 127.52 152.69 132.92 114.05 96.33 109.72 132.03 127.33 126.16	3.66 2.00 0.70 1.56 3.62 2.82 4.46 1.63 1.99 2.21 3.68	114.21 140.26 187.87 158.37 115.17 101.17 127.51 156.91 141.18 140.74 115.38	96.02 117.92 157.94 133.14 96.83 85.05 107.20 131.91 118.69 118.32 97.00	102.83 126.62 150.85 131.82 114.26 96.63 108.52 130.96 126.65 125.52 110.13	116.61 190.40 159.75 116.07 102.91 129.29 158.23 141.97 141.48 115.54	97.01 130.81 120.36 99.78 80.27 87.51 120.26 111.77 113.26 100.00	102.05 137.17 123.16 100.57 84.26 95.66 122.83 112.34 113.86 101.23	

Base values: Occ 31, 1986 = 100; Finland; Dec 31, 1987 = 115.037 (US 5 Index), 90.791 (Pound Sterling) and 94.94 (Locall; Nordic: Dec 30, 1988 = 139.62 (US 5 Index), 114.42 (Pound Sterling) and 123.18 (Local). Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities Limited. 1987 Latest prices were unavailable for this edition.